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Daily Report
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IAEA, DPRK Begin Nuclear Inspection Talks

SK0209063193 Seoul KBS-1 Radio Network in Korean 0605 GMT 2 Sep 93

[Report by KYODO-YONHAP news agency from Vienna]

[Text] A relevant official of the International Atomic Energy Agency [IAEA] revealed that the IAEA and North Korea have begun negotiations for the inspection of nuclear facilities in Pyongyang.

This official said that the negotiations for special inspection of nuclear facilities in North Korea will continue until tomorrow [3 September].

It seems that during the current negotiations, the IAEA will demand special inspection of two facilities in the Yongbyon area. However, observers expected talks to be obstructed since the North Korean side is hoping to attach importance to the issue of the IAEA's impartiality in the talks.

This official added that five delegates from the IAEA and Foreign Ministry officials from the North Korean side were present at yesterday's talks.

Daily Says U.S. Decides To Meet DPRK

SK0309082793 Seoul YONHAP in English 0800 GMT 3 Sep 93

[Text] Tokyo, Sept. 3 (YONHAP)—The United States and North Korea will hold a third round of high-level talks in the middle of this month in Geneva, Japan's SANKEI SHIMBUN newspaper reported Friday in a Washington-datelined story.

The SANKEI quoted a senior U.S. official as saying that the U.S. Government had decided to go ahead with the meeting because it judged that North Korea had complied with U.S. conditions, having talks with South Korea and the International Atomic Energy Agency (IAEA).

Assistant Secretary of State Robert Gallucci, who is chief U.S. delegate to the U.S.-North Korea talks, will visit Seoul on Sept. 9 and Tokyo on Sept. 13 before the third meeting, the paper said.

It said that Gallucci wanted to inform Seoul and Tokyo that Washington was restarting dialogue with Pyongyang and exchange views on North Korea's nuclear development program.

The unnamed U.S. official was quoted as saying that as long as North Korea complies with the U.S. conditions, no new measures will be discussed in Seoul and Tokyo.

Japan

Eastman Kodak Files Dumping Charge Against Fuji

OW0109042093 Tokyo KYODO in English 0213 GMT 1 Sep 93

[Text] New York, Aug. 31 KYODO—Eastman Kodak Co. on Tuesday [31 August] filed a complaint against Fuji Photo Film Co. of Japan for allegedly selling photographic paper at artificially low prices in the United States.

Fuji has sold color negative photographic paper made by its Japanese and Dutch factories at prices as low as one-fourth those of identical products in its home countries, according to the petition filed with the Commerce Department and the International Trade Commission.

Arguing that the alleged unfair pricing has caused material injury to the U.S. photographic industry, the company wants the government to slap dumping duties on Fuji to offset dumping margins in excess of 275 percent.

Robert T. Hamilton, Kodak vice president, said, "We believe that dumping margins approaching 300 percent constitute an illegal trade practice. This is inconsistent with free and open competition."

Kodak blamed the alleged dumping by Fuji, Japan's dominant photographic paper producer, partly on the huge disparity in market prices between Japan and the U.S., which allows Japanese makers to charge higher prices at home to subsidize low prices in overseas markets.

Color negative photographic paper is the product that photo finishers use to make color prints transferred from color film images.

Industry sources said the Kodak petition may be part of an apparent strategy to hamstring rival makers and boost its flagging competitiveness.

Kodak is in the process of radical restructuring, which involves cutting 10,000 jobs from its payroll.

Beef Imports Reportedly Maintain Upward Trend

OW0109152493 Tokyo KYODO in English 1430 GMT 1 Sep 93

[Text] Tokyo, Sept. 1 KYODO—Japan's beef imports climbed 25.2 percent in July from a year earlier to some 51,000 tons, maintaining an upward trend since April, Agriculture Ministry sources said Wednesday [1 September].

The July imports brought cumulative imports in the April-July period up 28.1 percent from the year-earlier level to some 209,000 tons, the sources said.

They attributed the sharp increase chiefly to a reduction in the tariff rate to 50 percent on April 1 this year in line with a 1988 trade agreement on beef and citrus with the United States. Under the pact, Japan eliminated import quotas in April 1991 in favor of a 70 percent tariff.

Despite the high tariff, imported beef has been growing steadily, exceeding domestic production for the first time in fiscal 1992 that ended March 1993. This caused a glut in supply and the resulting fall in prices, leaving some 91,000 tons in stock at the end of July, up by about 40,000 tons from the end of March.

Against this background, the Agriculture Ministry met informally with 34 beef importers and processors in early August to curb beef purchases and to protect local producers. But the informal request drew criticism from major beef exporters such as the U.S., Australia and New Zealand.

Food Agency Declines To Publish Rice Data

OW0309091293 Tokyo KYODO in English 0816 GMT 3 Sep 93

[Text] Tokyo, Sept. 3 KYODO—The food agency is keeping secret the latest data on the collection of the 1993 rice crop to allay public anxiety about a possible rice shortage, agency officials said Friday [3 September].

They said there has been a serious delay in the collection and inspection of early rice crops due to poor growth of rice plants, aggravated by flood damage.

Last year, 54,300 tons of early crops of rice were brought in for official inspection in southern Japan as of August 20. This year, only 1,500 tons of rice were delivered for inspection as of July 31, down 67 percent from a year earlier, the officials said. The comparable amount as of August 10 was 7,500 tons, down 73 percent.

The Food Agency has declined to publish the amount as of August 20, which is likely to have fallen sharply from a year earlier.

The harvest index for the 1993 crop of paddy-grown rice in Japan as of August 15 was a "rather poor" 95 against the average annual harvest of 100, the officials said. The index, which matched the postwar record low as of the same date in 1953, could portend one of the worst rice crops in the postwar period.

Yeltsin Adviser on Solution to Islands Issue

OW0309114893 Tokyo KYODO in English 1133 GMT 3 Sep 93

[Text] Tokyo, Sept. 3 KYODO—One of Russian President Boris Yeltsin's top advisers told Japanese Prime Minister Morihiro Hosokawa on Friday [3 September] that a constructive solution to a decades-long territorial dispute is possible if Japan and Russia promote cooperation in various fields.

Foreign Ministry officials quoted former Russian Secretary of State Gennadiy Burbulis as telling Hosokawa that

Russo-Japanese cooperation on various levels will bring about great development in bilateral relations as a whole.

Burbulis was quoted as saying, "If Japan and Russia promote cooperation and dialogue multi-dimensionally, such as in the political, economic and cultural fields, it is possible to find clear and constructive solutions to all problems, including the territorial problem."

The territorial dispute involves four Russian-held islands claimed by Japan—Etorofu, Kunashiri and Shikotan islands as well as the Habomai group of islets. Japan has long called for the return of the islands, known in Japan as the northern territories, which Russia's predecessor state, the Soviet Union, seized at the end of World War II.

During the 40-minute meeting with Hosokawa, Burbulis pointed out that Yeltsin has the support of people who do not want the nation's reform process to unravel and who want stabilization, the officials said.

Burbulis was quoted as saying he would like to "objectively" convey history to the Russian people and that to do so, it is necessary to abolish fixed ideas and the revanchism of the past.

Burbulis, who arrived in Tokyo on Thursday for a 10-day visit to Japan, is scheduled to go next Tuesday and Wednesday to Nemuro, southeastern Hokkaido, the main base from which former Japanese residents on the northern territories promote the campaign for the return of the islands.

In Nemuro, Burbulis will meet the former residents of the Russian-held islands. Burbulis told Hosokawa he will have an opportunity to learn what ideas they have for breaking the deadlock on the problem.

In the talks, Hosokawa asked Burbulis to convey a message to Yeltsin on his basic ideas about normalization of the two nations' relationship, the officials said.

In the message, the prime minister expressed hope that Yeltsin will visit Japan in October as scheduled and said he is looking forward to welcoming him in Tokyo.

Hosokawa noted the need for Russia to exercise a responsible political leadership and determination to solve the territorial dispute by overstepping the limits of narrow-minded nationalism, they said.

Hosokawa told Burbulis there are no problems that cannot be resolved if Tokyo and Moscow discuss them with "strong political will."

A complete normalization of Japan-Russia relations will greatly contribute to the prosperity and stability of the Asia-Pacific region and the world as a whole, he said.

The prime minister said Russia's solution of the long-standing territorial dispute based on law and justice would mean a break with its communist past and that is a prerequisite for becoming a partner sharing common values with the group of seven economic powers.

Once the Japan-Russia ties are normalized, the Russian economy can become an important partner for the Asia-Pacific nations whose economies are dynamically developing, and it will also contribute to Russia's shift toward a market-oriented economy, Hosokawa was quoted as saying.

In a separate meeting, Liberal Democratic Party (LDP) President Yohei Kono told Burbulis Japanese politics has passed to a new generation, such as Hosokawa and himself, LDP officials said.

He said he wants to see Japan-Russia relations normalized under the new generation, based on law and justice.

Kono also indicated that improving bilateral ties is essential to reconstructing the Russian economy, pointing out that if Moscow places importance on economy, its diplomatic policies will change toward placing more importance on Asia, the officials said.

Discusses Relations With Hosokawa

OW0309092093 Tokyo KYODO in English 0901 GMT 3 Sep 93

[Text] Tokyo, Sept. 3 KYODO—As a powerful typhoon moved in on Japan, a senior aide to Russian President Boris Yeltsin sat down for talks Friday [3 September] with Prime Minister Morihiro Hosokawa in the hope of calming their countries' stormy relations.

"It would be a good thing if, as a result of our talks, the typhoon misses us," former Russian State Secretary Gennadiy Burbulis quipped on arrival at the prime minister's official residence.

Burbulis is in Japan until September 11 on a visit that may help realize a twice-canceled state visit to Japan by Russian President Boris Yeltsin.

Bilateral relations have long been battered by a territorial dispute, which along with domestic problems has caused Yeltsin to call off scheduled visits, further straining ties.

Continuing the meteorological theme, Hosokawa asked Burbulis at a photo session about the weather in Russia, where another political crisis is looming as Yeltsin tries to remove his vice president.

Burbulis replied that the natural weather is fine. "The storm is in the economic and political arena," he joked.

Hata Says UN Peacekeeping Needs Tokyo's Aid

OW0309032193 Tokyo KYODO in English 0259 GMT 3 Sep 93

[Text] Tokyo, Sept. 3 KYODO—Foreign Minister Tsutomu Hata said Friday [3 September] that United

Nations peacekeeping operations around the world would fizzle without financial help from Japan.

Hata told a news conference he had spoken to Prime Minister Morihiro Hosokawa and Finance Minister Hirohisa Fujii about Japan's 108 million dollar obligation for this year. U.N. Secretary General Butrus Butrus-Ghali urged Tokyo on Thursday to pay its U.N. allotment as early as possible.

"Without Japan's contribution, U.N. peacekeeping operations cannot go ahead, so we are giving the matter very careful consideration," Hata said.

Tokyo 'Close' to Auto Exports to EC Deal

OW0309145093 Tokyo KYODO in English 1429 GMT 3 Sep 93

[Text] Tokyo, Sept. 3 KYODO—Japan and the European Community (EC) came close Friday [3 September] to reaching agreement on a further cut in Japanese auto exports to the EC for 1993, Japanese trade sources said. But trade negotiators from the two sides were still apart on the scale of the cut as Tokyo remains hesitant to EC demands for a larger cut because of the slumping EC market, they said.

The trade negotiators were meeting from Thursday through Friday midnight for the second round of talks on a further cut since they agreed in April that Japan would cut its 1993 vehicle exports by 9.4 percent from the prior year.

The April agreement, based on a projection that the EC market for cars and light commercial vehicles would shrink by 6.5 percent this year, set a ceiling of 1,089,000 auto exports to the EC.

But vehicle sales in the EC fell 18 percent in the January-July period from a year earlier, with the German market, the largest market among EC countries, suffering a fall of more than 20 percent.

Keidanren Not To Act as Conduit for Donations

OW0209044393 Tokyo KYODO in English 0404 GMT 2 Sep 93

[Text] Tokyo, Sept. 2 KYODO—The Federation of Economic Organizations (Keidanren) decided Thursday [2 September] to stop acting as a conduit for donations from its member companies to political parties.

The decision may bring to an end a longstanding funding practice in Japan whereby political funds are supplied mainly in the form of corporate donations. The practice, in place during the almost 40-year reign of the Liberal Democratic Party (LDP), has been criticized as encouraging a hotbed of cozy relations between corporations and political circles.

Emerging from a meeting with Keidanren vice chairmen, Chairman Gaishi Hiraiwa said that as from next year, the federation will stop making new funding arrangements for companies and business organizations. But 14.5 billion yen in campaign funds that the federation has already decided to supply to the LDP will be distributed as scheduled as a transitional step, Hiraiwa said.

Keidanren's latest decision may create confusion among member companies because the new steps have no binding power and the issue of whether or not to make political donations will be left for individual companies to decide.

Japan's most powerful business organization also decided in the meeting of its top executives that it will review the whole question of corporate donations to political parties, including abolition of such donations, "within a certain period of time."

Hiraiwa told reporters that "a certain period of time" means around five years. This is in line with an agreement last week by the coalition government on a review of donations to political parties five years after political reform bills are enacted.

Keidanren said the government should urgently act to pave the way for a shift in Japan's political funding system toward contributions by individual supporters and government subsidies.

Kansai Economic Federation Chairman Osamu Uno threw support behind the latest decision by Keidanren, terming it appropriate in view of the changing framework of Japan's overall politics after the end of the LDP's nearly 40-year hold on power.

Based on the decision, the government should formulate a new tax system in which government subsidies and political donations from individual supporters would play an increased role, Uno said. Corporations, for their part, should do their utmost to ensure "transparency and fairness" in political funding, he added.

Hiroshi Saito, chairman of the Japan Iron and Steel Federation, said the steel industry will support the new funding policy.

Business Split Over Keidanren Donation Decision

OW0209124693 Tokyo KYODO in English 1056 GMT 2 Sep 93

[Text] Tokyo, Sept. 2 KYODO—Business organizations had a mixed reaction Thursday [2 September] to a decision by the Federation of Economic Organizations (Keidanren) to scrap its long-standing political donations practice.

Some business groups expressed approval of the decision, saying it signaled the dawning of a new era in Japan's political history, while industry organizations prepared high-level meetings to study their individual approaches.

Takeshi Nagano, president of the Japan Federation of Employers' Associations (Nikkeiren), said the Keidanren decision followed the 38 years of one-party rule by the Liberal Democratic Party.

Kosaku Inaba, chairman of the Japan Chamber of Commerce and Industry, said the decision conforms to the current of the times.

The Keidanren made the decision as the coalition government of Prime Minister Morihiro Hosokawa prepared to work out a political reform plan, including a ban on political donations by corporations in about five years.

Nagano said it is desirable that the corporate donation system be abolished in the long run.

Inaba urged political parties to make their balance sheets public.

For individual corporations and industry organizations, the Keidanren decision came as a surprise, industry sources said.

The Japan Department Store Association said it will take some time for the organization to reach its own decision on whether to continue political donations.

The Electronic Industries Association of Japan said it will discuss the matter at its executive meeting September 16, while the Japan Petrochemical Industry Association was prepared to make a decision at a meeting of presidents of its member companies.

Other industry associations are waiting to see the progress of political reforms planned by the Hosokawa government.

Most enterprises and industry organizations, which have contributed political funds according to allocations made by the Keidanren, will make their own decisions about whether to continue or suspend fund donations.

Firm Said To Have Donated Money to Sendai Mayor

OW0309061693 Tokyo KYODO in English 0447 GMT 3 Sep 93

[Text] Tokyo, Sept. 3 KYODO—Taisei Corp., a major construction company, donated 10 million yen to help then Sendai Mayor Toru Ishii win last November's mayoral election, well-placed sources said Friday [3 September]. Taisei officials declined to comment, saying the matter is being investigated.

Ishii won a third term as mayor in November but resigned in early July after being arrested by prosecutors. Ishii, 67, was indicted in mid-July for allegedly taking a bribe of 100 million yen from executives of four major construction companies—Hazama Corp., Mitsui Construction Co., Nishimatsu Construction Co. and Shimizu Corp.—allegedly in return for favorable treatment in bidding on public works projects.

The sources said a local official of the Liberal Democratic Party (LDP) received the alleged donation from the Tokyo-based company and stored the money at a bank account for Ishii that was in another name. He was informed immediately of the donation but did not report it, the sources said.

Though Ishii was not an LDP member, the then ruling party supported him in the election. The LDP went into opposition in August after being ousted from 38 years in power.

When Ishii was arrested in late June, there was a balance of about 50 million yen in the bank account, the sources said. The local LDP official allegedly kept a separate 110 million yen fund at home that he had collected for Ishii's elections.

Kajima Corp., another major contractor, also was to have donated 10 million yen to Ishii before the November election through another local LDP official.

Land Price System Changes for Deregulation Studied

OW0309093493 Tokyo KYODO in English 0921 GMT 3 Sep 93

[Text] Tokyo, Sept. 3 KYODO—Members of Prime Minister Morihiro Hosokawa's cabinet are debating the possibility of including the land price monitoring system in the proposed economic deregulation package, government officials said Friday [3 September].

Kosuke Uehara, director general of the National Land Agency, told reporters Friday he will consider that option as part of the deregulation package to be finalized around September 20.

Uehara had earlier ruled out the possibility.

The deregulation has been proposed to help stimulate Japan's flagging economy.

The land price monitoring system is designed to prevent land prices from soaring out of control as they did in the 1980s.

Some ministers advocated abolition of the system at an emergency cabinet meeting on business stimulation measures held Monday, the officials said.

New Vehicle Sales Decline 8.7 Percent in Aug

OW0109053193 Tokyo KYODO in English 0504 GMT 1 Sep 93

[Text] Tokyo, Sept. 1 KYODO—Domestic sales of new cars, trucks and buses, as measured by registrations, dropped 8.7 percent in August from a year earlier to 263,544 vehicles for the fifth straight month of year-on-year decline, an industry association reported Wednesday [1 September].

The Japan Automobile Dealers Association said the August figure brought total vehicle sales for the first eight months of this year to 3,323,338, down 8.3 percent from the same period last year.

Passenger cars accounted for 181,993 of the August sales, down 5.9 percent from a year before.

Sales of cars with engine capacity of 2000 CC [cubic centimeters] or more edged up 0.9 percent to 36,522 but sales of cars ranging up to 2000 CC dipped 7.5 percent to 145,471, the association said.

The association said sales of trucks plunged 14.4 percent to 80,293. Sales of small trucks came to 72,209, down 14.4 percent, it said. Sales of buses fell 14.8 percent to 1,258.

Among major manufacturers, Toyota Motor Corp. reported its sales fell 11.7 percent to 103,512 vehicles, while Nissan Motor Co.'s sales declined 5.5 percent to 57,481.

Honda Motor Co. saw its sales fall 4.4 percent to 20,057, and Mazda Motor Corp.'s sales plunged 23.1 percent to 19,563.

Mitsubishi Motors Corp., however, enjoyed a 2.1 percent pickup in sales to 28,696.

Ministry: Aug Foreign Reserves at $95.35 Billion

OW0109090193 Tokyo KYODO in English 0829 GMT 1 Sep 93

[Text] Tokyo, Sept. 1 KYODO—Japan's foreign reserves at the end of August jumped 8,791 million dollars from a month before to 95,350 million dollars, the Finance Ministry said Wednesday [1 September].

The sharp increase is generally believed to be a product of massive dollar-buying market interventions by the Bank of Japan to halt the yen's rapid advance in recent weeks.

Japan's reserves of convertible foreign currencies, gold, and special drawing rights of the International Monetary Fund reached its highest level since the end of May 1989, when they amounted to 95,694 million dollars. Record amount of foreign reserves was posted at the end of April 1989 at 100,361 million dollars. The amount of increase was the third largest on record, following a 9,220 million dollar rise in January 1987 and the record 10,231 million dollar upswing in April 1987.

Hiraiwa To Head New Economic Reform Council

OW0109102793 Tokyo KYODO in English 0934 GMT 1 Sep 93

[Text] Tokyo, Sept. 1 KYODO— Chief Cabinet Secretary Masayoshi Takemura Wednesday [1 September] announced the makeup of a government advisory panel that will compile a report on economic reform.

The panel, asked to draft a paper similar to the 1986 "Maekawa Report" on economic restructuring by the end of the year, will be headed by Gaishi Hiraiwa, chairman of the Federation of Economic Organizations.

The council's 15 members include Kiuchi Akitane, former ambassador to France, Toyoo Gyoten, chairman of the Bank of Tokyo, Yotaro Kobayashi, chairman of Fuji Xerox Co., Shoichiro Toyoda, chairman of Toyota Motor Corp., and Iwao Nakatani, a professor of economics at Tokyo's Hitotsubashi University. Shusei Tanaka, special adviser to Prime Minister Morihiro Hosokawa, will serve as the panel's special consultant, Takemura said at a press conference.

The council is expected to hold its first meeting in around mid-September, Takemura said.

The Maekawa Report, drawn up by a panel led by former Bank of Japan Governor Haruo Maekawa, called for changing Japan's export-oriented economy to one led by domestic demand. Its proposals were mostly not realized.

The new panel will examine ways to make the economy more oriented toward growth led by domestic demand in the face of growing criticism of Japan for its mammoth trade surplus.

Hiraiwa, chairman of Tokyo Electric Power Co., has been head of Keidanren, Japan's most influential business lobby, since 1990. He also heads the Economic Council, an advisory body to the prime minister.

Fujii Says Further Study Needed on Fiscal Steps

OW0109103493 Tokyo KYODO in English 0949 GMT 1 Sep 93

[Text] Tokyo, Sept. 1 KYODO—Finance Minister Hirohisa Fujii acknowledged Wednesday [1 September] that some cabinet members are calling for further fiscal and monetary actions to prop up business conditions, but said further study is still necessary.

Fujii, speaking at a regular press conference, said he understands the stance taken by Hiroshi Kumagai, minister of international trade and industry, who has been calling for more of such measures, considering his position.

But he said Prime Minister Morihiro Hosokawa's government is setting priority on deregulation and passing on the benefits of the yen's strength to consumers as public investment plans have been implemented and the official discount rate is already at a record low 2.5 percent.

The benefits of past fiscal steps will continue to appear, while market interest rates have already begun falling thanks to the low key lending rate, Fujii said.

On the possibilty of an income tax cut, Fujii stressed the administration must be "prudent" in view of the negative effects of floating deficit-financing bonds, considered necessary to finance such a cut.

Fujii said he sees some bright signs about the economy such as better housing starts, but production statistics remain weak. "This is the time to monitor situations and respond with appropriate measures," he said.

With regard to the fiscal 1994 draft budget being compiled, Fujii said it is "totally unlikely" that the government will take deficit-financing bonds into account.

Ministry: Current Account Surplus Rise Continues

OW0309095893 Tokyo KYODO in English 0906 GMT 3 Sep 93

[Text] Tokyo, Sept. 3 KYODO—Japan's current account surplus in July swelled from a year earlier for the 28th straight month, with the yen's rise boosting the external surplus in terms of dollars, the Finance Ministry said Friday [3 September].

The politically sensitive figure, including trade and services, rose 24.9 percent from the same month a year earlier to 11.82 billion dollars, the highest-ever level for the month of July and the fifth-highest on record, the ministry reported.

The unadjusted trade surplus, accounting for most of the current account surplus, jumped 22.3 percent on a contract settlement basis to 13.89 billion dollars, also the highest for July and the second-biggest on record.

Exports rose 9.5 percent to 31.44 billion dollars, while imports edged 1.1 percent higher to 17.55 billion dollars.

A ministry official said the yen's rise inflated the value of exports and deflated imports, which posted a relatively healthy rise in volume. Lower crude oil prices also undermined the import figures, he said.

The U.S. dollar traded at an average 108.21 yen in July, down 16 percent from the previous year's 125.57 yen, and crude oil prices went 11.8 percent lower to 18.16 dollars per barrel, the official said.

The invisible trade balance before adjustment for seasonal factors was in deficit by 1.59 billion dollars, widening 12.4 percent from a 1.41 billion dollar deficit posted a year earlier, due largely to lower tourism and investment income.

As for other main components of the overall balance of payments, the long-term capital account showed a deficit of 4.39 billion dollars, in contrast to a 260 million dollar surplus the year before.

This stemmed from sales of dollar-denominated bonds and redemption of dollar debts by Japanese investors, and increased outflow of foreign funds from Japanese securities.

Jesper Koll, chief economist at S.G. Warburg Securities (Japan) Inc., said Japanese financial markets are worried about a capital shift to the U.S. and European markets by foreign investors who have been actively buying Japanese Government bonds so far this year, sending their yields down to record lows recently.

The overall balance of payments was in surplus by 5.24 billion dollars, down from 8.46 billion dollars in surplus the year before.

As for August and preceding months, the ministry official said, "It all depends on the dollar-yen rate and crude oil prices."

Many private economists agree as Koll said there will be "no changes" from the recent months in the so-called "J-curve" effect in which the yen's rise boosts external surplus figures when denominated in dollars. [sentence as received]

"It won't be until next year that statistics start showing effects of the yen's appreciation on exports," Koll said.

Japan's trading partners have been tolerating the yen's rise in recent months as a way to address Japan's trade surpluses because the Japanese Government's latest fiscal and monetary measures are failing to boost domestic demand to help the flagging economy recover.

Concerns are growing that the Japanese economy may be in a "double-dip recession," and may have not even hit the first bottom, Koll said.

Deregulations now being pushed by the new government instead of further fiscal and monetary actions could help boost imports, but the problem with Japan's surplus is primarily in exports, he said.

Japanese Government leaders are expected to face growing foreign pressure to rectify the situation, notably at the first U.S.-Japan summit scheduled for New York and a meeting of finance ministers and central bankers of the Group of Seven (G-7) economic powers expected to be held in Washington, both in late September.

But Koll said attention is focused more on U.S. trade statistics and the Federal Reserve Bank of New York which intervened to stem +the yen's rise against the dollar soon after figures for June were released in August.

Balance of payments (in millions of dollars)

	July 1993	July 1992
Current account	11,828	9,463
Trade	13,885	11,349
Exports	31,435	28,702
Imports	17,550	17,353
Invisible trade	-1,589	-1,414
Transfer payments	-473	-472

Balance of payments (in millions of dollars) (Continued)

	July 1993	July 1992
Long-term capital	-4,393	260
Basic balance	7,430	9,723
Short-term capital	724	-50
Errors/omissions	-2,916	-1,215
Overall balance	5,238	8,458

New Tax System Planned for Political Donations

OW0309062893 Tokyo KYODO in English 0555 GMT 3 Sep 93

[Text] Tokyo, Sept. 3 KYODO—Home Affairs Minister Kanju Sato unveiled plans Friday [3 September] for a new tax deduction system to encourage people to increase political donations.

Sato told a news conference after a cabinet meeting that the new system is aimed at giving taxpayers greater tax breaks when making contributions from income to political parties. Under the new system, the amount of personal contributions multiplied by a deduction rate of 30 percent will be subtracted directly from a taxpayer's total tax amount.

The present system levies tax on personal income after the amount of political contributions are deducted. A taxpayer can therefore pick up a system with a lower tax by taking into consideration the combination of expected income and the amount to be made in contributions.

Sato said his ministry will include the new tax system in sweeping political reform bills which the coalition government hopes to finalize this month.

Concerning a proposed 60 billion yen government subsidy to political parties, Sato said the ministry will require recipients to operate a separate account to avoid any mix-up in general funding for party affairs. He said the new account will help make it clear how a party spends the subsidies.

Sato also criticized the opposition Liberal Democratic Party (LDP) for its decision to push for a one-ballot system in its plan to overhaul the present election system in the powerful House of Representatives. Under the LDP' proposals, the lower house's multiseat constituencies would be replaced by a 471-seat system combining 300 single-seat constituencies and 171 seats distributed on a proportional representation basis, with one vote being counted for both sections. Sato said the LDP's one-ballot system has a problem "from a legal point of view."

The coalition's electoral scheme of choice, on the other hand, is a combination of 250 single-seat districts and 250 seats allocated on a proportional basis. However, the coalition's case requires people to cast two separate votes at the same time.

Bank Survey Shows Increased Business Pessimism

OW0309062993 Tokyo KYODO in English 0531 GMT 3 Sep 93

[Text] Tokyo, Sept. 3 KYODO—A report on business sentiment to be issued by the Bank of Japan (BOJ) next week will show that pessimism among Japan's major manufacturers has deepened in recent months, private economists predict.

They said the yen's upsurge, an unusually long rainy season and the cool summer have all gone to deepen the economic gloom. The economists, at 17 p.ivate think tanks, said in replies to a survey by KYODO NEWS SERVICE that the BOJ's quarterly "Tankan" survey will show an index of confidence among major manufacturers falling to minus 53 from the previous figure of minus 49. The figure represents the percentage of those who find the business outlook favorable minus those who find it unfavorable.

The latest Tankan survey, conducted by the BOJ survey in mid-August, will be released at 2 P.M. on September 10.

The economists said the Tankan will confirm the view that the economy has worsened even though the government declared that the slump had hit bottom earlier this year. Their projections on the manufacturers' index range between minus 45 and minus 56.

Some analysts said the survey could not have been conducted at a worse time, as far as the negative result was concerned. Besides a rainy season that dragged on into August, this summer was the coolest in four decades, hitting already depressed consumer spending.

Even worse for exporters was the yen's relentless climb against other major currencies, which saw it hit a global high of 100.40 to the U.S. dollar in mid-August.

The forecasters pointed to automakers and consumer electronics makers, both major exporters, as suffering particularly severely.

The Tankan index for nonmanufacturers is projected at a record low minus 42, down from minus 38 in the previous survey released in June, according to forecasts by 14 of the think tanks, which ranged from minus 34 to minus 46. The previous record low was minus 40 in August 1975.

Among nonmanufacturers, the retailing sector was especially hard hit, as shown by department store sales figures for July, which dropped below the year-earlier levels for the 17th month in a row. The construction industry may also have been affected by the series of scandals involving major contractors, they said.

Capital spending plans for the current fiscal year, another feature of the Tankan report, are likely to be trimmed 5.3 percent from the year before, 11 of the

think tanks forecast. The previous survey indicated a spending cut of 4.4 percent.

Blueprint Unveiled for Sharing of Yen Benefits

OW0309085793 Tokyo KYODO in English 0749 GMT 3 Sep 93

[Text] Tokyo, Sept. 3 KYODO—The government unveiled a list of possible measures Friday [3 September] to pass on to consumers the benefits of the yen's appreciation against other major currencies.

Economic Planning Agency chief Manae Kubota told a news conference that the blueprint turned out to be more extensive than she had expected.

She said the government hopes to further refine its ideas by mid-September and announce proposals as part of its economic stimulation program. Included with them will be a more concrete version of its deregulation plan released earlier this week.

The government is looking at four areas—passing on the merits of the stronger yen by cutting public utilities' charges, promoting reduction of prices on imported consumer goods, government offices taking initiatives on holding forums and import promotion fairs, and beefing up monitoring of recycling of profits from the high yen.

"The recycling program may be smaller in scale than the last one (in the 1980s) considering the range of the yen's appreciation," Kubota said, but added that "every little helps." She also said, "It is important to pass on benefits to consumers as soon as possible, without delay."

The yen, which was changing hands against the dollar at around 125 yen at the beginning of the year, surged to almost 100 yen in August, before slightly retreating to the current 105 yen level.

She said he hopes the program will begin to be implemented as early as next month.

Kubota indicated that more items may be added to the list of items scrutinized for recycling by the time the government comes up with its economic package.

According to the blueprint, the government plans to urge cuts in charges for electricity, gas and international phone calls, as well as domestic air and train fares to help spur domestic demand.

Referring to the comparatively high price of tickets issued in Tokyo for international flights, an official of the Economic Planning Agency said no solution is yet in sight, due to the severe business conditions the domestic airline industry is facing.

The government is to ask businesses concerned to cut prices of imported goods ranging from agricultural products, wines and spirits to foreign literature and compact discs.

Ministries have also been checking domestic retail prices of imported goods ranging from bananas and tennis rackets to coffee makers and small automobiles.

Officials said the gradual appreciation of the yen since the beginning of the year seems to have been reflected in retail prices, but the latest government scheme is aimed at beefing up such moves, since none of them are "100 percent complete."

Central government offices as well as local public entities plan to step up their checks of how the scheme is working, with over 4,000 monitors watching prices of imported goods.

"The rest will be up to consumers," Kubota said, adding that she hopes they will feel better able to "fully enjoy quality imported goods."

Asked by reporters whether additional fiscal and monetary measures will be needed to buoy the sluggish economy, she indicated the government will consider such measures from a broader viewpoint.

Hosokawa Addresses Advisory Tax Panel 3 Sep

OW0309121993 Tokyo KYODO in English 1140 GMT 3 Sep 93

[Text] Tokyo, Sept. 3 KYODO—The chairman of a key government tax policy advisory panel said Friday [3 September] he does not rule out implementation of comprehensive tax reforms in the next fiscal year. "It is an issue on which government officials should make a political decision, but it's not impossible to implement them next fiscal year," Kan Kato, chairman of the Tax Commission, an advisory panel to the prime minister, said at a press conference.

The panel Friday began its first deliberations under the cabinet of Prime Minister Morihiro Hosokawa.

In an opening speech to panel members, Hosokawa said he hopes for thorough deliberations on comprehensive tax reforms, including a review of the ratio of direct and indirect taxes. "I will respect the result of the panel's discussion," Hosokawa said.

At the press conference, Kato said that there was a consensus that a cut in income taxes was necessary to rectify the balance between direct and indirect levies from the medium- and long-term viewpoint. He was apparently referring to proposals to raise the consumption tax in exchange for a cut in income taxes.

Kato said some members preferred to discuss a cut in income taxes first as a way to spur the flagging economy, but others wanted a debate on a cut in income taxes in the overall context of tax reforms and not as an economic stimulus issue.

On taxation on assets, panel members agreed to study the possibility of introducing a system of numbering taxpayers, Kato said. Kato said he would like to submit

an interim report in November and that several conflicting proposals could be included in it.

Finance Minister Unsure Over Economic Forecast

OW0309024093 Tokyo KYODO in English 0146 GMT 3 Sep 93

[Text] Tokyo, Sept. 3 KYODO—Japanese Finance Minister Hirohisa Fujii said Friday [3 September] he is not sure whether the economy will begin picking up within this year.

Fujii, speaking at a regular press meeting after a morning cabinet conference, said "it is a difficult stage" and that he "cannot say when business conditions will start to recover."

"We can only monitor upcoming statistics and take appropriate measures," based on sound economic policy, he said. The finance minister said he sees no imminent need to take additional fiscal or monetary steps, which is the consensus so far of Prime Minister Morihiro Hosokawa's administration.

Fujii, however, said, "What the government will do is a future problem and will carry out discussions" on necessity of additional steps.

Meanwhile, while admitting the existence of weak economic data such as those related to production and labor, he said the government does not currently intend to take back the spring proclamation by the Economic Planning Agency that the business slump has already hit bottom. Bank of Japan Governor Yasushi Mieno told a press conference Thursday that "downside risks" for the economic conditions have increased, but added the central bank is not ready to cut the official discount rate.

Fujii lent a support to Mieno with regard to the key lending rate policy by saying that such a cut may have some psychological benefits but it is unlikely to spur corporate capital investments.

Prior to a series of bilateral economic discussions with the United States this month, including a scheduled meeting between Hosokawa and U.S. President Bill Clinton later in September, Fujii said Japan will tell the U.S. the country is taking adequate measures to redress its huge external trade imbalance. But he added that those measures will purely be Japan's domestic matter.

North Korea

Delegate Favors Total Nuclear Test Ban Treaty

SK0309103693 Pyongyang KCNA in English 1021 GMT 3 Sep 93

[Text] Pyongyang, September 3 (KCNA)—The head of the DPRK delegation at the Geneva disarmament conference expressed full support to the proposals of foreign delegates to start negotiation on a treaty of total nuclear test ban without delay and conclude it by 1995.

Yi Chol, permanent representative of the DPRK to the United Nations office in Geneva, said in his speech that it could be assessed as a historical event that the disarmament conference agreed to negotiate a treaty of total nuclear test ban this year in which falls the 30th anniversary of the signing of the treaty on partial ban on nuclear tests.

In case of failure to put a permanent end to nuclear testing, nuclear multi-polarization will be inevitable, each nuclear state having its own pole, and multi-polar race for nuclear superiority will bring danger incomparable to the bipolar Cold War era, he warned.

The DPRK Government and people have made every possible effort to remove the nuclear threat that has been presented to them constantly for scores of years, he said, adding:

The joint statement issued at the end of the first-stage DPRK-USA talks held in New York in June was a significant commitment unprecedented in the history of relations between the DPRK and the United States.

Recalling that at the second-stage talks in July the DPRK offered to replace its system of graphite moderated reactors with that of light water moderated nuclear reactors, he said how to approach this positive offer of the DPRK Government is rather a political issue showing the fundamental stance of whether they have real intention to solve the nuclear problem or not, than being a technical and financial matter.

He noted that the issue of implementing the North-South joint declaration on denuclearisation could be solved only through dialogue.

Stressing that the DPRK-USA talks opened a vista for a fundamental and final solution of the nuclear problem on the Korean peninsula and laid the foundation for improving the DPRK-U.S. relations, he declared:

If each side sincerely carries out what it must do, the future talks will apparently become more progressive and productive, and if the commitments are put into practice, the product of the Cold War will disappear on the Korean peninsula for good.

Kim Il-song Says Farewell to Cambodia's Sihanouk

SK0209214193 Pyongyang KCNA in English 1508 GMT 2 Sep 93

[Text] Pyongyang, September 2 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea on September 2 called on His Royal Highness [H.R.H.] Samdech Norodom Sihanouk, head of state, president of the Supreme National Council and supreme commander of the Armed Forces of Cambodia, at the guest house who is leaving Korea after concluding his visit to Korea.

He was met at the guest house by H.R.H. Samdech Norodom Sihanouk and his entourage and Cambodian Ambassador to Korea Oum Mannorine.

H.R.H. Samdech Norodom Sihanouk expressed deep thanks to President Kim Il-song for the hospitality accorded him during his visit.

President Kim Il-song had a cordial and friendly conversation with H.R.H. Samdech Norodom Sihanouk and exchanged farewells with him.

Officials, Cambodian Delegation See Folk Dance

SK0309043293 Pyongyang KCNA in English 0416 GMT 3 Sep 93

[Text] Pyongyang, September 3 (KCNA)—The high-level delegation of the Provisional National Government of Cambodia on an official goodwill visit to Korea saw a performance of the folk dance suite "Song of Seasons" at the Pyongyang Grand Theatre on September 2.

Invited to see the performance were the members of the high-level Cambodian delegation led by His Excellency Son Sann, president, and His Excellency Chea Sim, first vice president, of the National Constituent Assembly, and Co-Prime Ministers His Royal Highness Prince Norodom Ranariddh and His Excellency Hun Sen.

Present were Yang Hyong-sop, chairman of the Supreme People's Assembly, Yi Song-tae, chairman of the State External Economic Affairs Commission, Cho Kyu-il, vice minister of foreign affairs, other officials concerned and working people in the city.

The performance was acclaimed by the audience for its high ideological and artistic value.

The delegation presented a floral basket to the performers in congratulation of their successful performance.

KCNA Reports 1 Sep U.S. 'Air War Exercise'

SK0309042793 Pyongyang KCNA in English 0413 GMT 3 Sep 93

[Text] Pyongyang, September 3 (KCNA)—The U.S. imperialists on September 1 brought pursuit-assault planes and tanker planes to South Korea from their overseas bases to stage an air war exercise against the Democratic People's Republic of Korea in coordination with flying corps belonging to the U.S. Air Force in South Korea, according to military sources.

Participating in the exercise staged in the sky above Kapyong, Pochon and Hwachon were Japan-based flying corps belonging to the U.S. Marines and many fighter-bombers, assault planes, observation planes and electronic-warfare helicopters belonging to the U.S. Air Force in South Korea.

The dangerous war gamble was aimed at examining the cooperation capacity of overseas-based flying corps and those of the U.S. Air Force in South Korea in striking the DPRK.

O Chin-u Receives Outgoing Algerian Ambassador

SK0209062893 Pyongyang KCNA in English 0429 GMT 2 Sep 93

[Text] Pyongyang, September 2 (KCNA)—Minister of People's Armed Forces O Chin-u on September 1 met and conversed with outgoing Algerian Ambassador to Korea Mokhtar Reguieg who paid a farewell call on him.

Pyongyang Hosts Film on Kyrgyzstan National Day

SK0209055893 Pyongyang KCNA in English 0421 GMT 2 Sep 93

[Text] Pyongyang, September 2 (KCNA)—A film show was arranged here Wednesday [1 September] on the national day of the Republic of Kyrgyzstan.

Present there were Vice-Chairman of the Committee for Cultural Relations With Foreign Countries O Mun-han and other officials concerned and working people in the city.

KCNA: South Not Seeking Nuclear Resolution

SK0309045593 Pyongyang KCNA in English 0432 GMT 3 Sep 93

[Text] Pyongyang, September 3 (KCNA)—The Christian Broadcasting System of South Korea on September 1, recalling that the U.S. expenditure for the "Team Spirit" joint manoeuvres is not included in the budget for the next fiscal year, reported that the South Korean "Defence Ministry is quite upset by the ample possibility that the war game might not be held next year."

According to the radio report, the "Defence Ministry" is straining every nerve to silence the press, requesting it to show "restraint in their report," judging that if the possibility of suspension of the "Team Spirit" manoeuvres is widely known at home and abroad, it would be unfavorable in many respects for its intention to use the nuclear war game as "a nuclear card".

It is not without reason that the "Defence Ministry" is running about like a headless chicken. As the report said, if the "Team Spirit" joint military exercises were suspended, it might lose one of the most important cards in the nuclear negotiation with the North and, furthermore, its sinister design to stifle the North with the help of the outside forces might burst like soap bubbles.

And it must not go unnoticed that the South Korean authorities "are persistently trying to persuade the United States of the need to continue to stage the 'Team Spirit' manoeuvres," a nuclear war game.

When they sat face to face with us, the South Korean authorities talked a lot about their willingness to discuss the nuclear problem with the North. But, with an axe to grind, they are trying to wield the "nuclear club" with the help of the outside forces. This tells that they, in actuality, want neither dialogue nor the solution of the nuclear problem with us but are engrossed in vanquishing us, hating the talks between the DPRK and the United States.

Facts fully prove that the South Korean authorities are dyed-in- the-wool flunkeyist traitors to the nation who are trying to put the fellow countrymen on the altar of big powers and plunge them into the holocaust of a nuclear war.

KCNA Reacts to Kim Yong-sam Interview

SK0309043593 Pyongyang KCNA in English 0426 GMT 3 Sep 93

[Text] Pyongyang, September 3 (KCNA)—South Korean ruler Kim Yong-sam in a "special interview" with KYONGIN ILBO on September 1 again argued for the socalled "three-stage unification" formula, saying it is possible to "enter the stage of reconciliation and cooperation only when the nuclear problem of the North has been solved", "Radio No.1" of South Korea reported.

It is the height of folly for Kim Yong-sam to talk about the reunification conditional on the solution of the fictitious "nuclear problem of the North," not venturing a word about the U.S. troops and nuclear weapons in South Korea, the chief obstacle to Korea's reunification.

As has been exposed, the much-touted "three-stage unification" doctrine of the South Korean authorities is a replica of the "Korean national community unification formula" brought forward by the preceding fascist dictators, the keynote of which is "unification of systems", "unification through absorption". It is a formula of permanent national split which categorically rules out reunification.

By chanting this reactionary doctrine aimed at freezing division Kim Yong-sam stripped himself naked once again to reveal his ugly color as a traitor to the nation, a separatist.

The South Korean authorities must renounce the "three-stage unification" doctrine, a formula of permanent national division, and accept the ten-point programme of the great unity of the whole nation advanced by the DPRK without delay and join the fellow countrymen in the nationwide march toward the reunification of the country in the 1990s.

* April 'Food Riots' Said To Threaten Regime

932C0184A Seoul PUKHAN in Korean Jul 93 pp 196-201

[Unattributed article: "April Food Riots Threaten the Kim Il-song Dynasty"]

[Text] The riots came to a climax on 20 through 25 April. The rioting began with such slogans as "Give Us Food" and "Absolutely No Cut of Rations," eventually leading to political slogans such as "Down With the Kim Il-song Dynasty" by 25 April. It then took a calming turn—but only after sending men of the Kim Il-song dynasty running about in a flurry.

According to information, of the 30,000 participants in the riots, 3,000 were arrested and the rest holed up in Chonma-san and Pirae-pong, North Pyongan Province, and were holding out against anti-riot units as of 28 April.

Located in the region where the riots occurred are Kanggye, Kusong and Huichon, which are North Korea's defense industry centers. Kanggye is especially known for its secret air strip designated for the emergency evacuation of Kim Il-song and his family in case of an uprising in North Korea.

Stationed in the Yalu River region where the riots occurred were the 3d and 8th Corps of the Korean People's Army [KPA]. But the Kim Il-song dynasty dispatched on 20 April several divisions (about 40,000 troops) from KPA and security agency (Public Security Ministry) units that had been newly posted in the Pyongyang area, plus about 2,000 armored cars. Officers and men of KPA 3d and 8th Corps reportedly are in a most friendly relationship with the Chinese Army, maintaining exchange programs.

Under the circumstances, the Kim Il-song dynasty would feel that it should not rely on 3d and 8th Corps in the event of an emergency between North Korea and China. It is believed, therefore, that it dispatched KPA and Public Security Ministry units in the Pyongyang area which are, in nature, more like personal guards for Kim Il-song.

U.S. intelligence agencies gathered correct intelligence on activities of the emergency units dispatched by the Kim Il-song dynasty.

U.S. NEWS AND WORLD REPORT dated 10 May, quoting U.S. intelligence sources, reported that "North Korea last week moved three divisions and 1,700 armored cars to the Chinese border areas."

The journal noted that "the massive movement of armed units including KPA units to the Chinese border areas was of the largest scale since the Korean war."

The North Korean troop movement triggered speculations in Japan characterizing it as "a show of force against pressure from China over the nuclear Non-Proliferation Treaty withdrawal issue." However, the truth was that it was, as said, an action to bring under control the riots of residents in the Yalu River area caused by the food shortage problem.

Among the units currently deployed in the North Korean defense industry areas along the Yalu River are—besides 3d and 8th Corps of the KPA—Guidance Division,

which is said to be exclusively assigned to guarding defense industry bases; Public Security Ministry units to control Sino-Korean frontier trade; KPA frontier guards to patrol the borders, and a light infantry brigade which is a special unit of the KPA.

The food riots that broke out in the cities of North Pyongan Province on the Yalu River spread to Musan, Puryong, and Kyongwon in North Hamgyong Province as of the end of April, driving the Kim Il-song dynasty into a panic.

Street Demonstration of 27 Aug 1991

Food riots are an everyday affair and chronic phenomenon in North Korea.

Their historical backgrounds are:

1. After the disintegration of the former Soviet Union and East European states caused by economic problems, North Korea relying on a barter system found itself unable to obtain even the minimum quantities of materials it needed. As a result, the people's livelihood, already hard pressed, became even harder and their discontent aggravated.

2. Slogans criticizing the Kim Il-song dynasty—an absolute taboo in North Korea—showed up for the first time during these food riots.

3. The Kim Il-song dynasty deliberately circulated rumors that the United States and South Korea started a war against the North, stirring up tension among the North Korean people. But the people saw in such rumors a cowardly maneuver to circumvent criticism against the Kim Il-song dynasty and divert it elsewhere.

There had been food riots in 1991 already.

SANKEI SHIMBUN dated 27 September 1991 reported that "some 4,000 North Koreans held street demonstrations in the border city of Sinuiju on 27 August shouting anti-Kim Il-song slogans."

First official response to the alleged rioting came in a Pyongyang broadcast on 3 September which compared the allegations to an attempt to "break a rock with eggs."

Essentially, they insist that Western reports claiming the occurrence of large-scale demonstrations in Sinuiju are "preposterous, anti-DPRK disinformation." Later, however, they admitted to the fact that there had been riots.

Ration a Mixture of 20 Percent Old Rice, 80 Percent Cereals

There have been talks about chronic food shortages in North Korea for a long time. They are based on the fact that North Korea's arable land is limited because of the mountainous regions occupying larger parts of the country and that geographically it belongs to the cold-weather zone.

It appeared that North Korean authorities were focusing on land projects to expand paddies and dry fields and reclaim coastal areas. Those projects are apparently diminishing, however. They also developed hilly areas into the so-called terraced fields, which reportedly collapsed in a typhoon some years ago, causing severe damage.

Landslides from the collapse pushed earth and sand into rivers, filling up the riverbed and causing inundation of farms along the rivers whenever there was a heavy rain. This is the actual situation of food production in North Korea.

As a result, for approximately 20 percent of its food requirements, North Korea depends on gift from China, and on the old, inferior rice imported from Southeast Asian countries, Thailand in particular, on a barter basis. This is the reality of the food supplied to the North Korean people.

The food ration is a mixture of 20 percent old rice and 80 percent miscellaneous cereals. To make it worse, the delayed ration is routine. In addition to the insufficient, delayed ration, there is the heavy labor imposed on them daily. Moreover, at night they are required to attend political study meetings, designed to build up a cult of personality for Kim Il-song and his son Kim Chong-il, which last until late. Thus, the discontent of the people came to a climax, bursting into the riots. To bring them under control, the Kim Il-song dynasty dispatched a 40,000-strong contingent from crack units stationed in the Pyongyang area. In this connection, the fact that the Yongchon, Yongbyon, Huichon, and Tongsin concentration camps for political offenders are located close to the cities in the riot zone, namely, Sinuiju, Uiju, Chongsu, Changsong, Sakchu, and Pyoktong respectively, is viewed as a remote cause of the radical attack against the Kim Il-song dynasty.

Incidently, there are the Onsong and Hoeryong concentration camps in the vicinity of Musan, Puryong, and Kyongwon in North Hamgyong Province where riots were brought under control.

Therefore, there is no telling how the chronic people's riots in North Korea will spread and develop in the future, and what course they will take.

Discuss Solution With Future "Democratic" Regime

In North Korea, people began criticizing food problems and Kim Il-song dynasty. And there are chronic food riots. These are an everyday occurrence. Needless to say, the causes of student demonstrations in South Korea after all lie entirely in the division of North and South Korea, although such demonstrations are on the decline these days.

These trends in North Korea are of an extremely serious nature. First of all, for a basic solution to food shortages,

North Korea should not depend on the humiliating handouts from China or the old, inferior-quality rice imported from Thailand.

In sharp contrast, South Korea has massive stockpiles of high-quality rice from years of bumper harvest.

The Koreans are a homogeneous people whose superiority is known to the world. The Kim Il-song dynasty had claimed in its propaganda that North Korea is a "paradise on earth" and South Korea a "living hell." Now, caught in its own trap, the dynasty finds itself in a difficult plight where it cannot dare say that North Korea looks to South Korea for food, no matter how much it wants to say so.

If the Kim Il-song dynasty should dare say it—at a time when rumors abound that the days of the Kim Il-song dynasty are numbered among the North Korean people despite the most strict surveillance, and when even "Down With the Kim Il-song Dynasty" slogans have appeared—it is easy to imagine that actions to overthrow Kim Il-song can and will spread instantly, creating widespread pandemonium.

The next significant point is that criticism against the regime of the Kim Il-song dynasty was in evidence.

This is a matter more serious to authorities. In the food riot cases, the Kim Il-song dynasty promptly released those arrested. As for the rioters detained for criticism of the regime, however, they were immediately put in concentration camps for forcible separation. Once separated this way, they face internment for a considerably long time unless something unusual breaks.

Those arrested for uttering calls for overthrowing the Kim Il-song dynasty regime would be taken to an open execution ground, where they face a firing squad before many eyewitnesses.

Therefore, it is meaningless to discuss the food issue, or any other issues for that matter, with the Kim Il-song dynasty. North-South talks on how to support North Korea, including the food issue, should be undertaken with a "democratic" government to be installed after Kim Il-song and Kim Chong-pil have retired.

Presently, the riot areas along the Yalu River are off limits to North Korean reporters as well as foreigners.

According to an official of the Korean Chamber of Commerce and Industry in Japan who visited North Korea, he tried to purchase a ticket for a Pyongyang-Sinuiju train to visit his son's family living in Sinuiju after their repatriation from Japan, but was told that he needed "permission of the authorities." As a result, he could not make the trip before returning to Japan, he said.

Manifesting the ironbound slavery control of North Korea, Paragraph 5 of Principle No. 3 of the "10 Principles To Establish the Party Unitary Ideological System" stipulates: "Uncompromising struggles shall be mounted against whatever small elements destructive to the authority and prestige of the great Comrade Kim Il-song by responding to them as emergencies."

As said, "Down With the Kim Il-song Dynasty" slogans showed up in the riots triggered by food shortages and, as a result, a 40,000-strong contingent consisting of KPA and other units in the Pyongyang area was dispatched to the Yalu River area. According to the 10 principles, "whatever small elements" against Kim Il-song and his son can be dealt with as "emergency cases."

On 18 May, Pyongyang radio broadcast a commentary entitled "A Stratagem and Machination Following the Method of the Fifth Republic and the Sixth Republic."

It said that "they reported that 'large-scale riots against the regime' broke out in Sinuiju and other areas close to the Yalu River late last month, or that a number of people were 'arrested' in those riots, or that some 'fled into mountains,' or this or that." The commentary then denounced the reports as downright "lies."

The commentary continued: "As if to lend credence to such disinformation, sources fabricating them claim that they obtained it from—of all ludicrous things—an 'underground organization' of a 'democratic league' active in Tokyo. This is nothing more than a stupid fabrication." It then solemnly declared that "the reported things are just impossible in the northern half of the republic where the leader (Kim Il-song), the party (Kim Chong-il), and the masses (the people in the slave status) are united in one mind and where the people regard socialism as their faith of life."

In view of the August 1991 Sinuiju riot case which North Korean authorities have acknowledged belatedly, there is no doubt that they will also "acknowledge" the April riots this year, sooner or later, in one way or another.

* Youths Shun '3D' Jobs

932C0160A Seoul NAEWOE TONGSIN in Korean 3 Jun 93 pp F1, F2

[Text] It became known that 3D phenomenon (shunning difficult, dirty, and dangerous work) is prevalent among North Korean youth, and North Korea is having difficulties dealing with the situation.

The 3D phenomenon spreading among the youths is developing into an avoidance of military service and of jobs in mining, coal mining, and lumber logging. As a result, the problem of labor shortage in those industries seems to have deepened.

According to the officials of the General Association of Korean Residents in Japan [Chochongnyon] who recently visited North Korea, the 3D phenomenon is the very reason why youths prefer jobs that are safe and easy and provide high side incomes. Those jobs are, for example, such as forest supervisor, housing assigner, photographer, and restaurant employee. In order to be assigned to these jobs, there are frequent cases of bribery

and asking for personal favors through networking at the labor division of the economy committee of the provincial government.

North Korea has analyzed that the 3D phenomenon among youths is a result of the secondary effect of the fall of former Soviet Union and Eastern bloc communist countries and loosening of socialist ideology which was caused by the infiltration of liberal ideas. In an attempt to prevent the spread of 3D and to induce youths to hard labor jobs, North Korea is strongly urging its people through self-criticism sessions, newspaper and other media to establish firmly revolutionary life goals, denounce capitalist myths and unite singleheartedly as one under Kim Il-song and his son.

The Chochongnyon officials added that to induce youths to hard labor jobs, North Korea is holding mass rallies, called "meetings to volunteer for the protection of the fatherland and for the construction sites," one after another.

About this mass rally for the North Korean senior middle school graduating classes, college students, young office workers, and retired military personnel, North Korea advertised that "youths volunteered to work in difficult jobs at reclaimed landworks, mines, coal mines, and lumber logging in building the socialist economy." They also delivered a "congratulatory message" under the Central Committee's name and proceeded with a large-scale welcoming ceremony mobilizing local residents and laborers.

Last July, North Korea had carried out such mass assembly events with Pyongyang Sadong District senior middle school graduating students and, subsequently, with all the high school graduating classes all over the country. This February North Korea, aggressively instigating youths to enter hard labor jobs, advertised through the state-run Korean Central Broadcasting Network, that "since young workers from Hamhung Seungchun River garment factory volunteered to work at Daehung Youth Integrated Mining Plant in 1990, the first year, so far about three hundred thousand youths from all sections of work throughout the country have marched into places such as mines, coal mines, and collective farms. They are working to flower the wonderful customs of noble communism."

However, the Chochongnyon officials disclosed that, unlike the advertisement and instigations made by the North Korean propaganda media, there are frequent cases all over North Korea where dissatisfaction and adversary effects from unreasonable stationing to hard-labor jobs ignoring individual intentions break into mass demonstrations.

For example, in August 1992, it happened that 70 men, facing discharge from military service in the People's Guard, planned an "opposition demonstration" demanding they be placed at jobs of their preference after they had found out that they were to be sent to an agricultural cooperative farm in the Koksan area. They were all relocated to Aoji mine in Hambuk because their plan was leaked beforehand.

South Korea

Seoul Reaffirms Decision to Purchase F-16's

SK0309131393 Seoul YONHAP in English 0550 GMT 3 Sep 93

[Text] Seoul, Sept. 3 (YONHAP)—South Korea will still purchase F-16 fighters for its Air Force despite the Pentagon's decision to cancel an order for the U.S. Air Force, Defense Minister Kwon Yong-hae told the National Assembly Defense Committee in a hearing on the Korea Fighter Program (KFP) Friday.

Rep. Na Pyong-son said the KFP should be reconsidered because the U.S. decision would raise production costs of the F-16, and he recalled that when U.S. aircraft companies stopped making the F-5e some years ago it had rendered Korean assembly facilities and technology transfer contracts useless.

General Dynamics has hundreds of orders for F-16s and is not about to halt production of the aircraft.

Meanwhile, a Defense Ministry official said that the U.S. Defense Department's cancellation of F-16 purchases would not affect Korea's program to equip its Air Force with F-16s as the main battle fighter.

The decision does not affect production of the F-16 by General Dynamics, just the 1994 purchase of fighters for the U.S. Air Force.

When the Korea Fighter Program was reviewed in 1991, the Defense Ministry knew the U.S. Air Force would not buy F-16s in 1994 because there was no contract between General Dynamics and the Pentagon for that year, he said.

After a contract was concluded with General Dynamics under the KFP in 1991, General Dynamics had contracts for 170 F-16s and the total until 1999 is 560.

"So there will be no influence on our KFP," the official said.

Trade Minister Visits PRC, Signs Agreement

SK0309102993 Seoul YONHAP in English 0639 GMT 3 Sep 93

[Text] Seoul, Sept. 3 (YONHAP)—The South Korean and Chinese trade ministers signed a record of discussion at their first talks in Beijing on Friday, agreeing to work toward minimizing trade friction and to prepare export-import standards to raise the efficiency and accuracy of their blooming two-way trade.

Korea's Kim Chol-su and China's Wu Yi, the foreign economic relations and trade minister, sought in the first Seoul-Beijing trade meeting since the normalization of

ties in August last year room for Korean firms in China's planned five-year infrastructure project, a ministry spokesman said.

Kim asked for access to China's automobile and electronic telephone exchange markets for Korean companies, and Wu welcomed them with open arms, the spokesman said.

Wu said he hoped to see active participation by Korea in bidding for the five-year project.

Kim solicited a better business environment for Korean companies in China, breakdown of non-tariff barriers, and cuts in duties on 26 major Korean exports such as woolen goods, air compressors and automobile parts. Wu promised to consider Kim's requests.

Wu also gave his full support for the establishment of a Korean trade center and a private economic organization in Beijing.

He expressed concern over the unfavorable trade balance with Korea and asked Seoul to revise the adjusted tariff, imposed to check import surges and anti-dumping investigations on China.

Kim explained that Seoul couldn't do without a safeguard regulation against imports within the international limit under the circumstances, but said he would prudently use the system against Chinese imports.

The two departed on agreeing to meet for a second talks in Seoul at a convenient time next year.

Kim will return to Seoul on Sunday [5 September] after finishing his four-day schedule in the Chinese capital.

Japanese Legislators' Delegation Ends Visit

OW0309062693 Tokyo KYODO in English 0602 GMT 3 Sep 93

[Text] Seoul, Sept. 3 KYODO—A 40-member delegation of the Japan-South Korea Parliamentarians League left Seoul Friday [3 September] for Japan upon completing its three-day visit to South Korea.

The delegation headed by Former Prime Minister Noboru Takeshita met with its South Korean counterpart on Thursday and adopted an 11- point joint declaration on political and industrial cooperation and bilateral relations in the next century.

The Japanese lawmakers met South Korean President Kim Yong-sam at the Chongwadae presidential office and visited the international exposition in Taejon.

* Lawsuit Seeks War Apology From Japan

932C0182A Seoul CHUGAN CHOSON in Korean 15 Jul 93 pp 60-62

[By reporter Kim Nang-ki]

[Text] A "national lawsuit"—the phrase already suggests a grim determination. It is a suit filed by Korean lawyers in a Japanese court for its decision on the unlawfulness of Japan-Korea annexation.

The plaintiff is the ROK National Lawsuit Group Against Japan (comprised of 369 persons). The suit seeks a judgment that the Japanese Government has the obligations for the restoration of the original state, compensation for damage, and official apology in connection with Japan's aggression against Korea and the Pacific war. It demands 10,570,951,188 yen in damages.

The first hearing was held on 28 June in Courtroom No. 706 of the Tokyo District Court. The plaintiffs were represented by 12 lawyers, including Chi Ik-pyo and Yong Tae-yong, engaged in private legal relief service. Present on behalf of the Japanese Government were officials of the Ministry of Justice.

The hearing began with the plaintiff's opening statement explaining the cause of the suit. It proceeded in the form of the plaintiff speaking in Korean and an interpreter translating it into Japanese. It was the first time a hearing of that type was held in a Japanese court.

"Honorable presiding judge and associate judges, although we belong to different states, we believe that there is no difference between our philosophy and basic posture as lawyers. The jurisdiction indeed belongs to your country, but we hope that this trial will provide an epoch-making contribution to the opening of a bright future between the two nations."

The plaintiff side then presented its procedural demands concerning the proceedings. On the grounds that the suit concerns an old case and contains elements complex to prove, it requested consideration of the court for speeding up proceedings by allowing simultaneous examinations of evidence as necessary. Next, citing the large expenses involved, the group demanded that they be granted sufficient time for argument. Also, they sought authorization to open up the proceedings to the media for videotaping of what they claim to be a national and historic case.

The court promptly approved the first item, accepting the demand that it order the Japanese Government to submit documents in its custody concerning facts of aggression. With regard to the other two items, agreement was reached to consider them later.

In every lawsuit in Japan, issues of law are first screened before the examination of evidence begins. Consequently, the screening of issues of law alone would often take more than two years. This prompted the Korean lawyers to require that, as the screening goes on, the examination of related evidence be conducted each time as necessary. It is unusual that the Japanese court agreed to it, according to plaintiff sources.

Along with these requests, the plaintiff side made clear its planned course of argument in the coming sessions,

and with it the day's hearing came to a close. The second hearing is scheduled for 13 September. The Japanese Ministry of Justice stated that it will make public its position in the next hearing.

Of the 17 lawsuits filed by Koreans against the Japanese Government to date, this suit is the only one in which the plaintiff's case is argued solely by Korean lawyers. In other suits, Japanese lawyers handled the argument while Korean lawyers acted as their support staff. Among the cases currently pending in the Japanese court are those concerning Korean women drafted as prostitutes for soldiers in the former Japanese military forces, Koreans remaining in Sakhalin, and war criminals.

The National Lawsuit Group, the plaintiff in this case, is led by members of the Private Legal Relief Association, a body established to provide legal relief to Koreans for damages caused by Japanese aggression. The group is made up by a total of 369 members—346 members of that association and 23 members of bereaved families. Of them, 52 members—20 lawyers and 32 bereaved families—went to Japan to attend the first hearing.

The National Lawsuit Group was formed after they observed the proceedings in the damage case filed by Koreans in Sakhalin against the Japanese Government and decided that the Japanese lawyers arguing their case were caught in a conflict of interest. According to Yong Tae-yong and other Korean lawyers who witnessed the proceedings, their impression was that the Japanese lawyers, while acting as if they were champions of humanitarianism, were actually arguing the case within the limits of not hurting Japan's national interests. They were, Korean lawyers said, seen consistently focusing on the issue of monetary compensation, treating it as an indemnity for a legitimate act or as damage for an illegal act in what appeared to be a sort of tactic relying on popular sentiment on the issue.

Thus came the National Lawsuit Group against Japan as an organization to lead a suit on behalf of all Korean victims. In the absence of a Korea-Japan accord on legal representation in each other's court, the only thing Korean lawyers can do is oral proceedings in the capacity of the plaintiff. This is the reason, they say, why other Korean lawyers were included in the group as plaintiffs.

The suit was then filed in the Tokyo District Court in the name of 369 plaintiffs on 29 August 1992, year, the 82d anniversary of the 1910 National Shame Day [promulgation of the Japan-Korea Annexation Treaty]. The group's basic position is that the Japanese rule of Korea itself was fundamentally unlawful. The main purpose of the action is reaffirmation of that fact, not monetary claims. Through the suit, the group seeks to task the Japanese Government for structural damages the Korean people suffered at Japan's hands in the period from 1904 through the 1945 liberation and in the subsequent territorial division and separation of people into the North and the South. It is the reason why the group call it a national lawsuit. It means that it is a suit concerning the most fundamental of all the things for which Japan has not yet fulfilled its obligations.

In filing its suit, the group said in a statement: "With regard to the lawsuits filed to date, it is not an overstatement that they largely lacked jurisprudential argument about the unlawfulness of Japanese rule. We will argue that the Japanese rule and act of government itself was unlawful. Presently gaining strength in Japan are forces that tend to blame the Korean people for the history, citing the 1965 ROK-Japan Basic Relations Treaty, among other things, but our suit this time will make clear their unreasonableness. Basically, our purpose is to restore international justice, contribute to future peace and regain the national pride."

The group contends that the Basic Relations Treaty and related agreements contain nothing that indicates the Japanese Government's acceptance of its responsibilities for the fact of aggression, the fact of unlawful acts resulting from its unlawful rule, and unlawful acts perpetrated after the outbreak of the Pacific war. Under the treaty and agreements, it maintains, Japan returned only some cultural assets and paid $300 million in the name of settlement on claims, not reparation. As a result, there has been no clarification of the responsibility for the unlawful acts of the Japanese Government nor its recognition by the Japanese Government, says the group.

In its 29-page plaint, the group lists Japan's unlawful acts in three categories. First, it argues that the various old treaties between Korea and Japan that had been seen as constituting the basis of Japanese rule were invalid by their own nature. Unlawful act No. 1, the suit argues, was the Japanese rule based on treaties such as the Korea-Japan Protocol of 23 February 1904, drawn up under the coercion of Japanese imperialist aggression; the Agreement on Hiring Foreign Advisers of 22 August 1904; the Protection Treaty of 17 November 1905; the Treaty of 24 July 1907; and the Annexation Treaty of 22 August 1910.

The plaint then lists Japan's unlawful acts in depriving the Korean people of their lives and property and subjecting them to mental and physical sufferings, and various other kinds unlawful acts during the period of Japanese rule. Finally, it refers to the division of Korea and the separation of its people, the 1950 outbreak of the Korean war and the internecine strife basically caused by the unlawful acts of aggression of the Japanese imperialists and the Pacific war they touched off.

For damages inflicted on the Korean people including the plaintiffs, the suit seeks "affirmation by the Japanese Government of its obligations for the restoration of the original state, compensation, and official apology."

Specifically, first, with regard to a notice of apology, it demands that, for the political, economic, social, and cultural damages suffered, the lives and property deprived, and for the mental and physical suffering, the Japanese Government publish an apology in the Japanese newspapers ASAHI, YOMIURI and MAINICHI,

and in the Korean papers CHOSON ILBO and TONGA ILBO, as a first-page, lower five-column article. In this connection, the group drafted a text of the "statement of apology" and submitted it to the Tokyo District Court.

Second, with regard to the restoration of the original state, the suit seeks monetary reparation (legal compensation) for Korea's territorial division. As for the amount, it states that while the "cost of reunification"—including the costs of North-South economic cooperation and of post-reunification programs to recover homogeneity between the North and South Korean people in every area of life—is estimated at $200 billion or 46 trillion yen at least, there is no definite amount available at this moment. It makes it clear, however, that the Japanese Government has the obligation to recognize its responsibility for reparation.

Of the approximately 2 million people drafted during the war as prostitutes for Japanese soldiers, laborers, and as military personnel or civilians, the number of those killed is estimated at 400,000. For the dead, the suit claims that the appropriate amount of compensation is 50 million yen for each woman drafted as a prostitute—40 million yen for the woman herself and 10 million yen for her family—and 40 million yen for each of other cases—30 million yen for the person and 10 million yen for his or her bereaved family. At the same time, the group demands investigation into how they were forcibly taken away by Japanese authorities, and repatriation of their bereaved families [from Sakhalin].

Third, the group demands compensation of more than 10,500 million yen in total as consolation money for those who belatedly were confirmed dead or returned alive after having been taken away forcibly and their families, for victims in the independence movement and their families, and for families separated in North and South Korea.

It is unknown how long the suit will take to complete and to what conclusion the legal issues will come. At least it appears the trial will take a long time.

But the endeavor of the group to bring the facts of Japanese aggression under legal scrutiny in the name of "national lawsuit" is commendable in itself, if not for the outcome—because the fact that some people in our society did not give up raising issues on the matter will go down in history.

North Replaces Panmunjom Liaison Office Chief

SK0309112193 Seoul YONHAP in English 1104 GMT 3 Sep 93

[Text] Seoul, Sept. 3 (YONHAP)—North Korea on Friday informed the South that it had reshuffled the chief of its liaison office at Panmunjom.

In a telephone message to Prime Minister Hwang In-song, Pyongyang's Administration Council Premier Kang Song-san said, "Bureau Director Yi Song-tok of the Administration Council has been newly named as the head of our side liaison office at Panmunjom."

Thus far, Choe Pong-chon had been the chief liaison official of North Korea.

A government official said the reshuffle does not carry any particular implication and seems to be part of their preparation for resumed inter-Korean dialogue.

Researchers Predict Eventual U.S.-North Ties

SK0309094293 Seoul YONHAP in English 0634 GMT 3 Sep 93

[Text] Seoul, Sept. 3 (YONHAP)—Foreign Ministry researchers said Friday that North Korea will eventually have to allow full- fledged nuclear inspections and form diplomatic ties with the United States.

Without solving its nuclear problem, North Korea will remain in international isolation since it cannot normalize diplomatic relations with Japan or realize inter-Korean economic cooperation, says the report by the ministry's Institute of Foreign Affairs and National Security, titled "North Korea's Strategy To Normalize Diplomatic Relations With the United States."

Normalization of diplomatic relations with Washington will help the country's rulers stay in power longer than is expected now but will speed up North Korea's opening and democratization, it says.

"But if North Korea's leaders worry about losing power, they may not take substantive measures for resolution of the nuclear problem," the report says.

The United States should try to obtain tangible results in its third round of talks with North Korea, unlike the first and second talks, which dealt with only basic principles, it says.

No Tae-u Not To Reply to Board's Questionnaire

SK0309103193 Seoul YONHAP in English 0753 GMT 3 Sep 93

[Text] Seoul, Sept. 3 (YONHAP)—Former President No Tae-u was reported Friday [3 September] to have decided to tell the Board of Audit and Inspection [BAI] that he will not reply to its questionnaire over suspected irregularities in the Yulgok military buildup program.

No's chief aide, Chong Hae-chang, said there had been no change in No's position that the BAI has no legal right to investigate a former president.

Therefore, No will send an official letter to the BAI on Saturday refusing to answer the questionnaire, Chong said.

"In that letter, No will explain why he refuses to answer the BAI questions and his overall position that there

cannot be any suspicion in his administration's choice of the F-16" as the country's next generation fighter aircraft, Chong said.

But the letter would not carry any specific answer on the F-16 question, Chong added.

Chong said that, on the F-16 selection process, there is nothing to add to No's initial announcement to the press Aug. 26 on the issue. There would not be any further clarification, Chong added.

The BAI has said it will start studying possible measures against the former president, including the bringing of charges against No.

The BAI said it will announce the results of its investigation on the F-16 question around Sept. 7, regardless of No's response or lack of it. It apparently made the decision since related documents provided by the U.S. Government were of little value, according to officials.

President Kim Yong-sam Meets Daewoo Chairman

SK0309095493 Seoul YONHAP in English 0735 GMT 3 Sep 93

[Text] Seoul, Sept. 3 (YONHAP)—President Kim Yong-sam asked Daewoo group Chairman Kim U-chung to bear the brunt of the efforts to stimulate the economy through increased investment in research and development and settle the real-name financial transaction system as soon as possible over lunch at Chongwadae [presidential offices] on Friday.

Kim, noting that Daewoo's growth in shipbuilding had put Korea ahead of Japan in the world shipbuilding industry, said Daewoo should continue striving to maintain the country's position as the world's No. 1 shipbuilder while redoubling its effort to increase car exports, presidential spokesman Yi Kyong-chae said.

In particular, Daewoo had an important role to play in stimulating the economy by increasing investment in research and development and in plant and equipment, Yi quoted the president as telling Kim.

He has already met individually with Lotte Chairman Sin Kyok-ho, Samsung Chairman Yi Kon-hui, Kia Chairman Kim Sun-hong, Lucky- Goldstar Chairman Ku Cha-kyong and Pohang Iron and Steel Co. Chairman Chong Myong-sik.

Ministry Selects Program Suppliers for Cable TV

SK3108045293 Seoul YONHAP in English 0120 GMT 31 Aug 93

[Text] Seoul, Aug. 31 (YONHAP)—The Information Ministry announced on Tuesday morning the 20 successful applicants to supply programs for cable television, including Yonhap Television News (YTN) for general news programs.

Other winners among the 35 applicants are Maeil Kyongje Cable Television to supply programs in the economic news area, Samsung Co. for pay channel and Daewoo Electronics for basic channel in the movie sector and National Sports Promotion Corp. in sports.

In the religious broadcasting sector, Pyonghwa Broadcasting Corp. was selected for Roman Catholic programs and Buddhist Broadcasting System for Buddhist programs, but no Protestant supplier was chosen because of differences of opinion among the applicants, Information Minister Oh In-hwan said.

YTN will air news programs 24 hours a day, starting from early 1995, but most of the other suppliers will be on the air from 10 AM until midnight, ministry officials said.

Article Explains Cable TV Industry Structure

SK0109092493 Seoul YONHAP in English 0616 GMT 31 Aug 93

[Article by Kim Myong-chol: "South Korea's Cable Television Industry Is Three-Legged Structure"]

[Text] Seoul, Aug. 31 (YONHAP)—When cable television debuts in South Korea in 1995 it will have three independent sectors—cable layers, broadcasters, and program suppliers.

This separation, mandated by the Cable Broadcasting Law promulgated in December 1991, is unique to Korean cable television and reflects the situation of broadcasting here.

Though the tripod structure is similar to Germany's cable industry, the legal basis for independence of the three sectors was laid in reference to U.S. and Japanese cable broadcasting laws.

Germany has increased subscription rates in urban areas 50 percent to 60 percent since it introduced cable television four years ago and so the prospects for Korean cable television are bright.

In Germany, the state firm Deutsche Telecom is the exclusive cable layer and sets the gestation period of investment in cable networks for 15 to 20 years in a bid to minimize subscriber fees.

In Korea, the government is expected to name Korea Electric Power Corp., Korea Telecom, and the Data Communication Corp. of Korea (DACOM), all state-invested firms, cable layers toward the end of the year. These firms will recover their investment in cable networks over a long period of time, as Deutsche Telecom does.

In Japan, cable television is a money-losing enterprise. Most broadcasters directly lay their own cables in spite of their small capital and so must recover their investment in cable networks in a short period of time. This compels them to collect initial subscription fees as high

as 80,000 yen, almost 800 U.S. dollars, which poses a stumbling block to healthy development of the cable television industry in the country.

In Korea, cable networks will be laid down by the end of 1995 in 54 areas, including Seoul, Pusan, Taegu, Kwangju, Taejon and Inchon.

Each of these 54 areas has its own cable broadcasting station, which the government is expected to name this year. These stations will provide between 15 and 20 channels carrying news, movies, sports, entertainment and other programs, and collect subscriber fees.

They will have pay movie channels and pay-per-view channels for movies and major sports events in 2000. In addition, they will have channels devoted to local news and events.

The cable subscription rate is expected to range between 3 percent and 10 percent by the end of 1995 and between 32 percent and 45 percent in 2003.

The three sectors of cable television should cooperate, but are expected to clash over how to share subscriber and advertising fees.

Subscriber fees will be set at 10,000 won to 15,000 won a month and should be shared among the three: Cable laying, station and program supply. An additional 7,800 won a month will be collected from viewers of pay channels.

Suppose the program suppliers receive 5,000 won out of a 15,000 subscription fee. The 5,000 won must be divided 15 to 20 ways among them based on production costs and ratings.

Sharing advertising fees will be a problem for stations and suppliers. Under the law, each channel is limited to only 10 minutes an hour for commercials and the money must be shared between the station and supplier 2-to-8, for example, or 3-to-7.

These problems are expected to be dealt with by the program suppliers association and cable television stations association.

Burma

Australian Envoy Meets Minister on Sailors Issue

BK0309032293 Rangoon Radio Burma in Burmese 1330 GMT 2 Sep 93

[Text] Mr. Stuart Hamilton Rawdon Hume, the Australian ambassador to Myanmar [Burma], paid a courtesy call on Lieutenant General Thein Win, minister of transport, at 0900 this morning at the Office of the Minister of Transport at the Cabinet Office.

During the meeting, the ambassador and the minister discussed bilateral aviation matters, programs to increase flight capacity for tourists, upgrading ports in Myanmar, and joint ventures in private transport sectors.

The ambassador inquired about an incident involving 10 [figure as heard; Rangoon domestic service newscast at 0130 GMT on 3 September reports the figure as 11] Myanmar sailors from a foreign ship at an Australian port. The minister explained that [the authorities] were aware of the matter since the beginning of the incident and explained that it was not a case of the sailors filing a complaint to the organization concerned, but a person from the organization concerned approaching them and asking questions. The minister explained that all the sailors are now in Myanmar, that they have not been detained, and that they have obtained the wages to which they are entitled. The minister explained frankly and cordially that reports in some foreign newspapers were not correct and that the Ministry of Foreign Affairs is being informed of the developments related to the incident and the matter can be raised with the ministry.

Also present at the meeting was U San Wai, deputy minister of transport.

Bangladesh Officials Return Illegal Emigrants

BK3008141093 Rangoon Radio Burma in Burmese 1330 GMT 30 Aug 93

[Text] In accordance with the coordinated agreement reached between the two countries on the repatriation of those who illegally left Myanmar [Burma] for Bangladesh, a delegation led by Camp Supervisor Mr. (Mukwaraman) from the country on the other side transferred 214 returnees—95 males and 119 females—from 51 households to our Kanyinchaung reception center on the morning of 28 August 1993. The returnees were brought in by seven motorboats. The delegation left at 1230.

Brunei, Malaysia & Singapore

Malaysia

Government To Revamp Export Levy on Cut Timber

BK0109111293 Kuala Lumpur BERNAMA in English 0725 GMT 1 Sep 93

[Text] Kuala Lumpur, Sept 1 (OANA/BERNAMA)—The government has decided to revamp the current levy imposed on selected species of sawntimber and veneer exported from peninsular Malaysia to ensure that the local wood-based industries have adequate supply of raw material.

Primary Industries Minister Dr Lim Keng Yaik said in a statement Wednesday that the new rates of the respective export levies, effective October 1, 1993, would include the introduction of a two- tier levy depending on the method of drying, either kiln dried (KD) or air dried (AD).

He said wooden strips of Jelutong, Sepetir, Kembang Semangkok, Nyatoh, Ramin, dark red Meranti, light red Meranti/red Seraya and red Meranti [names of timber] were prohibited from export except low grade (sound grade and below) in order to encourage and maintain the exports of low grade strips to specific traditional markets such as the Middle East, China, Thailand, the Philippines and South Korea.

The export levy on Chengal and Damar Minyak sawntimber, meanwhile, would be increased from RM120 [Malaysian ringgit] (U.S.&1 ; RM2.54) per cubic metre to RM250 per cu. metre, either KD or AD, he added.

The export levy on sawn timber of Jelutong, Sepetir, Kembang Semangkok, Nyatoh, Ramin, red Meranti, light red Meranti/red Seraya, red Meranti, Melantai/Kawang and rubberwood will be raised from RM120 per cu metre to RM180 per cu metre for AD timber while for KD timber, it would be maintained at RM120 per cu metre.

The minister said the implementation of the new rate of export levy was expecetd to address to a great extent the problem of raw material shortage faced by the downstream wood processing mills.

Recalling he imposition of export levy and quita on rubberwood sawntimber on June 1, 1990 and on veneer and sawntimber of other species beginning Sept 1, 1990, Dr Lim said it was aimed at ensuring industries adequate supply of timber raw materials to the timber- based industries for further downstream processing in the country.

The export levy curtailed the outflow of sawntimber from the peninsular and aided the local wood-based industries wth more raw materials and as intended. The export of sawntimber from peninsular Malaysia decreased from 3.0 million cu metres valued at RM1.6 billion in 1990 to 2.2 million cu metres valued at RM1.3 billion in 1992.

The log production on peninsular Malaysia, meanwhile, is expected to be reduced from 12.8 million cu metres in 1992 to 9.1 million cu metres in 1995 while the installed capacity of the sanmills and plywood mills was about 13 million cu metres which entails lesser timber for the mills.

Sawntimber production is anticipated to decline from 5.7 million cu metres in 1992 to 4.2 million cu metres in

1993, thus making the production in 1993 inadequate to meet the export and local demand of about 2.3 million cu metres and 2.7 million cu metres respectively.

Similarly, the production of plywood in 1993 of about 782,000 cu metres would not be sufficient to cater for both the export and local demand of about 767,000 cu metres and 313,000 cu metres respectively.

Although the current reduction in raw material supply had contributed towards the increase in the domestic and international prices of sawntimber, the local downstream wood processing mills had indicated difficulties in sourcing raw materials for their requirements the minister added.

On the regional front, he said, it was noted that other tropical timber production countries were also undertaking measures to reduce the export of basic timber products.

For instance, Indonesia imposes a high export duty on sawntimber of about U.S.$250 per cu metre as compared to a maximum of RM120 per cu metre imposed by peninsular Malaysia.

Meanwhile, countries such as Vietnam and Kampuchea had totally banned the export of logs in their endeavour to encourage greater downstream processing of timber products, Dr Lim added.

Minister Says China To Be Big Palm Oil Market

BK0109124693 Kuala Lumpur NEW SUNDAY TIMES in English 29 Aug 93 p 8

[By Chan Cheng Tuan]

[Text] Kuala Lumpur, Sat—Malaysia is confident that it will be able to double its palm oil export to China from the current one million tonnes in the next few years.

Primary Industries Minister Datuk Sri Dr. Lim Keng Yaik said China is a potentially big market, especially its inland cities and provinces.

He said China only imported 80,000 tonnes of palm oil when it was first promoted there seven years ago.

However, with the high demand and China's more open economic policy, there was a high potential of developing it into a two million-tonne palm oil market.

Dr. Lim, who is also Gerakan president, was speaking at a Press conference after chairing the party's central committee meeting at its headquarters here.

He said his recent trip to China recently was to identify areas where joint ventures could be set up for the palm oil industry for instance in processing, refining, packaging and distribution.

"We looked into the problem of transporting palm oil so that there will not only be a smooth entry of palm oil into China but also smooth distribution to all the provinces, especially those inland provinces," he said.

Dr. Lim said so far two Malaysian refineries had been set up in China and eight more were being planned to refine various stages of semi-processed palm oil.

He expects the joint venture projects to be ready within the next two to three years which will then enable Malaysia to move on to the next phase of building up the market.

He said the next phase would be an aggressive promotion of palm oil through the Malaysian Palm Oil Promotion Councll.

"We will promote palm oil through the mass media to get it accepted for household use," he said, adding that palm oil was now mostly used by the industries.

Dr. Lim added that the palm oil would be blended with local oils to cater to the different tastes of the various provinces.

He said the Malaysian delegation also convinced the Chinese authorities of the reliability and consistent supply of Malaysian palm oil which is estimated to increase to more than eight million tonnes by the year 2000 while the estimated increase in China's oils and fats requirement is about 15 million tonnes by the year 2000 Dr. Lim said the extension of credit facilities to China was also discussed and the formation of a consortium of Malaysian exporters was in the offing to enter into a long term commitment there the Chinese importers could purchase 300.000 tonnes of Malaysian palm oil annually as a condition in the utilisation of the offer of US$l,0OO million (RM55O million) credit facilities.

He added that Chinese Ministers and officials also responded encouragingly towards the objective of making China a base for Malaysian cocoa processing.

"During the visit an agreement was signed for contract processing of cocoa beans between a Malaysian company and a Chinese corporation in Beijing and Shanghai, enabling the establishment of a strong foothold in the Chinese market for processing Malaysian cocoa beans," he said.

He said opportunities were also taken to promote other commodities such as timber in view of the growing construction industry in China.

Dr. Lim led a 19-day Palm Oil and Cocoa Economic and Technical Mission to China and Hong Kong from August 8.

Singapore

Protest Filed to Burma Over Seamen's Detention

BK0209142793 Singapore THE STRAITS TIMES in English 1 Sep 93 p 3

[Text] Singapore has protested formally to the Myanmar [Burmese] Embassy over the actions and conduct of its First Secretary which resulted in 11 Myanmese seamen being held for four days in June at Changi Airport.

Giving an account of the incident, Home Affairs Minister S. Jayakumar yesterday deplored the actions which led to the confinement as "most irregular and if against the will of the 11 seamen, also illegal."

The Myanmese were transiting at Singapore on their way to Bangkok from Australia, where they had just won a wage dispute, when they were held at Changi Airport on the instructions of the Myanmese First Secretary.

They were detained there from June 3 till June 7 when they were flown back to Yangon [Rangoon].

The matter, which had been reported in Bangkok newspapers and in the August 18 issue of ASIAWEEK magazine, was raised yesterday by Mr. Lau Ping Sum (Ang Mo Kio GRC) [Ang Mo Kio Group Representative Constituencies] during question time.

In his reply, the minister told the House that the Internal Security Department (ISD) had carried out a thorough investigation, and established the following: June 2: The First Secretary of the Myanmar Embassy in Singapore received a request from the seamen's employer, Star Corporation Shipping Company, to repatriate the seamen to Yangon.

He said that he could not do so without instructions from Yangon.

Subsequently, he did receive those instructions from the Myanmese Foreign Ministry to help repatriate the seamen for breach of agreement relating to their employment.

June 3: The seamen arrived in Singapore on a Qantas flight from Brisbane.

Their connecting flight to Bangkok had been cancelled at the Australian end, terminating their journey in Singapore.

At the airport, the First Secretary enlisted the Qantas duty manager to help detain the seamen's passports and to hold the men under escort until their departure for Yangon.

The diplomat handed to Qantas a copy of a letter from the Myanmar Embassy requesting Singapore Immigration to detain the men's passports and to help repatriate them to Yangon.

The letter was addressed to the officer-in-charge of immigration Changi Airport with copies to Qantas and the Airport Police, but it never reached the Immigration or Airport Police, Professor Jayakumar told the House.

He added: "The First Secretary admitted that it was never faxed to the Airport Police.

"He believed that he may have faxed the copy for Immigration to Qantas on the assumption that Qantas would forward it to Immigration."

June 3 to June 7: The Myanmese were held under the guard of the Singapore Airport Terminal Services (SATS). They were confined, at Qantas' expense, in a temporary holding area normally used for passengers prohibited from landing in Singapore, or who had irregular travel documents and had to be returned to their point of embarkation.

June 4: The First Secretary tried and failed to book the seamen on a flight to Yangon.

June 7: The 11 men were flown back to Yangon on a Silk Air flight.

Summing up, the minister said that: The First Secretary had acted in an irregular manner in detaining the men, who would have been allowed to enter Singapore if they had sought to do so, as Singapore Immigration had not prohibited them from landing here.

The First Secretary had also told investigators that he was entitled as a diplomat to detain the men.

"This assertion of jurisdiction is totally unfounded," said the minister.

The Myanmar Embassy had not informed the proper Singapore authorities that they wished to repatriate the seamen.

Although the Embassy claimed to have faxed their letter to the Singapore Immigration and the Airport Police, they had dealt exclusively with the Qantas manager instead of Singapore Government officials throughout the whole episode.

Qantas was wrong to help the Myanmar Embassy as the airline was no longer responsible for the passengers once their flight terminated in Singapore, and was not involved in arranging for them to leave Singapore.

SATS' present arrangement of holding people in the airport pending their repatriation was unsatisfactory.

A review is now being carried out.

The SATS security officers were wrong to confine the men at the request of Qantas and the Myanmar Embassy, but ISD investigations had not established that they had knowingly broken the law.

Immigration Department, Police, the Civil Aviation Authority of Singapore and other Singapore Government Departments were not involved in the affair, said Prof. Jayakumar.

ISD investigations showed that there was no evidence that Myanmar intelligence officials were involved contrary to ASIAWEEK'S report which had said that Myanmar intelligence agents had "apparently intercepted them and bought them passage" to Yangon.

Prof. Jayakumar, who is also Law Minister, added that ISD's investigation papers had been sent to the Attorney-General to determine if anyone had committed any offence or was negligent in carrying out his duties.

South Africa Trade Minister Attends Trade Fair

BK0209135793 Singapore THE STRAITS TIMES in English 1 Sep 93 p 36

[Text] Public housing and attracting foreign investment are two key areas that South Africa can learn from Singapore, said Mr. Derek Keys, the country's Finance and Trade and Industry Minister.

Speaking to reporters after opening a South African trade fair at the Raffles City Convention Centre yesterday, he said that while almost everyone in Singapore was now a home-owner and looking at upgrading his housing, South Africa is only now at the stage where Singapore was 30 years ago.

He said that the four-day trade fair, which has 124 participating companies, represents not only the South African government's commitment to developing export trade, but also shows the many opportunities available there to Singapore investors.

Mr. Keys will be giving the keynote address at a seminar today on "Doing business in South Africa" held in conjunction with the fair.

Speaking at the opening Singapore's Minister of State (National Development), Mr. Lim Hng Kiang, said that South Africa offered excellent infrastructure, leadership and potential, but faced the challenge of completing its transformation and providing schools, jobs and opportunities for all South Africans.

Mr. Lim said that achieving economic growth was the key to doing this, and "by hitching the South African economy to South-east Asia's engine of growth" they have the opportunity to do so.

South Africa's exports to Singapore last year amounted to 292.4 million rand (S$162 million), according to official South African figures, while its imports from the Republic amounted to 645.2 million rand (S$358 million) in the same period.

South African exports to South-east Asia, excluding Malaysia and Indonesia, totalled US$238 million (S$378.42 million) last year. South Africa hopes those two countries will be lifting economic sanctions on its exports soon.

Visiting Singapore with Mr. Keys are Mr. R. Schoeman, Deputy Minister of Foreign Affairs, and a high-level business delegation.

They have met representatives from the Economic Development Board, the Trade Development Board, the Singapore Manufacturers' Association and the Singapore International Chamber of Commerce.

Mr. Keys also called on Senior Minister Lee Kuan Yew, Foreign Minister Wong Kan Seng, Finance Minister Dr. Richard Hu, and Trade and Industry Minister S. Dhanabalan. He leaves for Japan while the delegation will proceed to Kuala Lumpur today.

Cambodia

Kim Il-song Fetes Delegations in Pyongyang

BK0209122993 Phnom Penh AKP in English 1007 GMT 2 Sep 93

[Text] Pyongyang September 2—North Korean President Kim Il- Song has greeted the reinstatement of Prince Norodom Sihanouk as head of state of Cambodia.

During talks conducted yesterday between the two Asian political veterans in the North Korean capital of Pyongyang, President Kim Il- song also welcomed the reestablishment of Cambodian new constitution to be soon promulgated and the formation of the Provisional National Government of Cambodia headed by Co-Presidents Prince Norodom Ranariddh and Hun Sen.

Kim Il-song expressed his belief that under the clear-sighted leadership of Prince Sihanouk the Cambodian people would achieve success in national reconciliation and in reconstruction of the country.

"The Korean people have always rendered support to the prince and the Cambodian people," he said.

Prince Sihanouk expressed his thanks to the Korean president and people for their support to the Cambodian people in their national reconciliation and voiced his support for the North Korean 10-point policy of reunification of the Korean peninsular.

Prince Sihanouk who has his residence outside Pyongyang is currently in the Korean capital, visiting his old friend Kim Il- song.

Later the same day, Prince Norodom Sihanouk and the visiting high-level delegation of Cambodia led by Constituent Assembly Chairman Son Sann and PNGC [Provisional National Government of Cambodia] co-presidents were hosted with banquet by President Kim Il-song in Pyongyang during which they reaffirmed long-time camaraderie between these two leaders.

"We will make every effort to unite solidarity with the Cambodian and other progressive peoples throughout the world for a free and peaceful new world," Kim was quoted by the KOREAN CENTRAL NEWS AGENCY (KCNA) as saying in the banquet.

The Cambodian delegation flew to the North Korean capital on August 30 for a visit there and for presenting the constitution draft to Prince Sihanouk.

The 81-year-old President Kim also told the banquet the visit to North Korea by the Cambodian leaders was an "expression of your confidence in us."

He said North Korea and Cambodia had established "unbreakable relations of friendship and cooperation on the same road of independence."

Russian Military Technical Experts Arrive 31 Aug

BK0309045393 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1200 GMT 2 Sep 93

[Text] A team of technical experts from the Russian armed forces, led by Colonel (Zomolev Valeriy Borisyevik), deputy head of the Military Technical Cooperation Directorate, arrived at noon on 31 August for an official working visit. The team is seeking information on developments in the Cambodian military and security situation.

Welcoming the team at Pochentong International Airport were, among others, General Kruoch Yoeum, head of the Defense Ministry's Office; Major General Hing Lang, director of the Defense Ministry's Foreign Military Relations Department; and many other Defense Ministry officers at the rank of general and colonel.

The day after its arrival in Cambodia, the team called on Deputy Defense Minister Gen. Tie Banh at the Defense Ministry's Foreign Military Relations Department to seek information on Cambodia's national reconciliation and rehabilitation. On that occasion, His Excellency Tie Banh spoke on various points concerning the period of national reconciliation to settle the Cambodian problem and achieve peace for Cambodia. He also informed the delegation about the good cooperation between the Cambodian National Armed Forces [CNAF] and the Russian armed forces, which have given all-around assistance to the CNAF, particularly by sending the military technical expert team to Cambodia.

In reply, team leader Col. (Zomolev) said: This is the first working visit to Cambodia by a delegation of the Russian armed forces' technical sector. Our delegation as well as our government have always supported the Cambodian peace plan and will always give assistance to Cambodia.

(Zomolev) also stressed the bond of friendship between the armies of the two countries, Cambodia and Russia, that has existed since the era of the Sangkum Reas Niyum Party led by His Royal Highness Prince Norodom Sihanouk. He added that Russia would give all-around assistance to Cambodia to help it achieve genuine peace and national independence quickly.

Sihanouk Sends Message to Khmer Rouge Leader

BK0209143893 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 2 Sep 93

[Text] His Royal Highness Prince Norodom Sihanouk, Cambodian head of state, who is in Pyongyang, sent a message on 1 September 1993 to His Excellency [H.E.] Khieu Samphan, Democratic Kampuchea [DK] chairman, via H.E. Troeung Meali, chef de cabinet of the Royal Palace.

The message read: I have long taken note of the confrontation between the DK forces and the national armed forces of the Provisional National Government of Cambodia [PNGC] as well as the roundtable meeting issue. The following are the answers from the PNGC cochairmen:

1. The PNGC proposes that the DK forces completely end armed attacks in Cambodia; the PNGC's national armed forces will then put a halt to their operations against the DK forces.

2. The roundtable meeting will take place after, not before, the declaration of Cambodia's new constitution.

Please accept the deepest regards from me, Norodom Sihanouk, head of state of Cambodia.

Khmer Rouge Radio Responds

BK0309011393 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 2 Sep 93

[Text] Here is a report in connection with the message from His Royal Highness [HRH] Prince Norodom Sihanouk, head of state, to His Excellency [H.E.] Khieu Samphan, head of the Party of Democratic Kampuchea [PDK], emphasizing the Provisional Government of Cambodia [PNGC] cochairmen's answers concerning the Cambodian roundtable meeting.

On 1 September 1993, HRH Prince Norodom Sihanouk, head of state, sent a message to H.E. Khieu Samphan, head of the PDK, emphasizing the PNGC cochairmen's answers concerning the roundtable meeting.

In this message, the prince summarized the PNGC cochairmen's answers concerning the roundtable meeting as follows:

1. They demanded that the PDK stop fighting;

2. They said the roundtable meeting will take place after—not before—the declaration of the new constitution.

It should be noted that on 24 August 1993, H.E. Chan Youran, special envoy of H.E. Khieu Samphan, went to see the prince in Pyongyang, DPRK. On that occasion, the prince head of state kindly proposed a roundtable meeting for 3 September 1993 in Beijing, capital of the PRC. Later, the prince head of state wrote a letter to the PNGC cochairmen urging that the roundtable be held on 3 September.

Recently, the PNGC cochairmen made successive announcements that no more negotiations were needed and that the Khmer Rouge must cease fire, lay down its weapons, and open up its zone to the provisional government.

On 30 August, the PNGC cochairmen went to see the prince in Pyongyang and informed him of the main points of their announcements. The prince head of state then sent a message to H.E. Khieu Samphan on the main points of the cochairmen's above-mentioned announcements.

These points are the views of the PNGC cochairmen and not the prince. This is because the prince does not want it that way. He wants a roundtable meeting to be held so as to achieve national reconciliation. But Hun Sen, Sok An, and the other people in the Phnom Penh party continue to announce that they do not want negotiations with the Khmer Rouge and that they will attack and completely smash the Khmer Rouge. They keep setting conditions to prevent the prince's roundtable meeting from being held.

At the same time, the above views are not entirely the opinions of the cochairmen. They include the opinions of a number of evil foreigners who have interfered in Cambodia's internal affairs, such as the United States, UNTAC [UN Transitional Authority in Cambodia], and their allies within and outside UNTAC. They are opposing the national reconciliation trend of the Cambodian nation and people and the world community, which wants all Cambodians to achieve national reconciliation and Cambodia to enjoy peace,. This would be favorable to regional peace, security, and stability.

The Cambodian nation and people and the world, particularly countries in this region, strongly oppose the elements that are against national reconciliation and peace in Cambodia. We have now seen their evil face even more clearly.

Sihanouk, PNGC Discuss Khmer Rouge Proposal

BK0209150793 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 2 Sep 93

[Text] His Royal Highness [HRH] Prince Norodom Sihanouk has met with the Provivisional National Government of Cambodia [PNGC] cochairmen and said that the two cochairmen have agreed to a ceasefire. The results of the meeting have been presented to Khieu Samphan, (?nominal) head of the Khmer Rouge.

The prince said that a roundtable meeting would be held only after the adoption of Cambodia's new constitution. The new constitution (?is scheduled to be scrutinized) on 15 September.

At present, the Khmer Rouge have asserted that they have no problem with power and that they will not ask for anything if Cambodian leaders agree for negotiations to take place on Friday, 3 September. The Khmer Rouge party has requested for the meeting since its troops came under heavy offensive attacks launched by the government forces.

A statement says that the Khmer Rouge have no intention to vie for power, or seek the post of cochairman or minister or even deputy minister of the government. The statement further says that the Khmer Rouge party only requests an advisory role in the government and to be included in the national army.

'Editorial' Urges End to 'Foreign Interference'

BK0209060793 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 1 Sep 93

[Editorial: "The Cambodian Problem Is Not Caused by Cambodians but by Foreign Interference in Cambodia's Internal Affairs"]

[Text] The root cause of the war in Cambodia is Vietnam sending hundreds of thousands of troops to commit aggression against and occupy Cambodia. It is not a problem among Cambodians. After the Paris agreement, the Cambodian problem remains an issue between foreign aggressors and Cambodians. That is:

1. Vietnam has committed aggression against Cambodia. It was strategically defeated by the resistance forces, including those of Democratic Kampuchea. This forced Vietnam to sign the Paris agreement on 23 October 1991.

2. Following the Paris agreement, the Vietnamese aggressors, the UN Transitional Authority in Cambodia [UNTAC], and allies inside and outside UNTAC continue to interfere in Cambodia's internal affairs.

a. During the implementation of the Paris agreement, they interfered in Cambodia's internal affairs. They did not control the Vietnamese aggressors but instead tried to eliminate Democratic Kampuchea and the four [as heard] parties, to maintain only one party.

b. During and after the election, they have continued to interfere.

c. After the establishment of the provisional government, they continue to interfere and meddle in Cambodia's internal affairs.

d. During the drafting of Cambodia's constitution, they also interfere.

Therefore, the Cambodian problem is not because of Cambodians but because of foreign interference, which splits Cambodians who are deprived of national reconciliation and national unity. This is to allow these foreigners to scramble and make benefit at the expense of the Cambodian nation and people.

On this issue, the Cambodian nation and people and peace-loving countries the world over absolutely oppose foreign interference in Cambodia's internal affairs and suggest the following:

1. Foreigners should stop interfering and meddling in Cambodia's internal affairs;

2. Foreigners are not needed to interfere in Cambodia's internal affairs;

3. Cambodians should be left to decide the fate of the Cambodian nation and their own fate themselves;

4. If bad foreigners become masters of Cambodians, there will be no national reconciliation and no peace. There will also be no opportunity to build Cambodia. Cambodians will be split; only Vietnam and foreigners will benefit.

5. If Cambodia achieves national reconciliation and have peace, the people will live peacefully and will have a chance to carry out production and gradually earn a living. With foreign assistance, Cambodia will continue to develop.

However, if Cambodians only listen to bad foreigners and prevent Cambodia from achieving national reconciliation, Cambodia will have no peace; there will also be no opportunity to build the country.

CPP Supports Return of Constitutional Monarchy

BK0209092193 Phnom Penh KAOH SANTEPHEAP in Cambodian 31 Aug 93 p 4

["Latest News"]

[Text] In a communique issued in Phnom Penh on 27 August, the Cambodian People's Party [CPP] gave its sanction to the restoration of a constitutional monarchy in accordance with a proposal by Prince Kromluong Norodom Ranariddh. The endorsement indicates that the CPP and FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Parties within the Provisional National Government of Cambodia have already accepted the constitutional monarchy.

Indonesia

E. Timor Students Sent Away; U.S. Group Due

BK0309051793 Hong Kong AFP in English 0451 GMT 3 Sep 93

[Text] Jakarta, Sept 3 (AFP)—More than 50 East Timor students from Dili were sent on "national awareness" and "guidance" courses shortly before a group of U.S. Congress staffers visited the region, an Indonesian military spokesman said Friday.

But he denied allegations by an East Timor independence activist in exile that 53 students, all from Dili, had been arrested by the military to prevent them staging demonstrations during the Americans' visit.

East Timor Military Spokesman Major Leiden Simbolon told AFP by telephone "They are not detained. The youths were given a short course and guidance, coincidentally prior to the visit of U.S. Congress staffers."

Simbolon said the courses, which ran from mid-August, included carpentry as well as encouraging national awareness.

The U.S. congressional and senate staffers visited the former Portuguese colony Wednesday and Simbolon said they had raised the student issue in talks with local Governor Abilio Soares.

A second group of U.S. congressional staffers is due to visit East Timor on Sunday.

East Timor activist in exile Jose Ramos Horta, based in Lisbon, said in a statement that the students were arrested to prevent any "disturbances" or political demonstration which might arouse international attention.

He said the students arrested were allegedly involved in, or present at, the 1991 November shooting in Dili when Indonesian troops opened fire on a crowd of demonstrators, killing 23 people with 61 others still missing, according to official accounts. Other sources, including witness, said the death toll was around 115.

Indonesia, which invaded East Timor in 1975 before unilaterally declaring it its 27th province the following year, has come under increasing U.S. pressure over its human rights record.

Washington, which earlier threatened to withdraw trade privileges should Jakarta fail to improve its labour laws by February, last month vetoed a plan by Jordan to sell second-hand U.S.-made fighter planes to Indonesia, citing its poor human rights record.

Government, U.S. Team To Discuss Labor Issues

BK0209212293 Jakarta ANTARA in English 1054 GMT 2 Sep 93

[By Ruslan Burhani]

[Text] Jakarta, Sep 2 (OANA-ANTARA)—The planned visit of the United States General System of Preferences (GSP) team here from September 24-26 is expected to help towards the greater understanding of Indonesia's real labour conditions.

This will facilitate Indonesia's GSP priviledges for the country's exports to the U.S.

Of the US$4.3 billion worth of non-oil exports to the U.S last year, some US$650 milion or 14 percent enjoyed the GSP facility.

The visit by the GSP team was arranged following Washington's threat to abolish the export priviledges on the grounds of widespread violations of labour laws.

U.S trade representatives (USTR) recently claimed that they found cases of abuse regarding the employment of underaged and underpaid workers, and the right to form a labour union.

Indonesia was among ten countries given a grace period of eight months to improve their labour conditions before USTR start pulling out their GSP priviledges.

Jakarta responded positively by inviting the GSP committee to come and personally investigate the allegations.

The government has set up an inter-department team comprising of Trade Minister S.B Judono, Manpower Minister Abdul Latif and senior officials from two other ministries to enlighten the US team about the labour conditions in the country.

Director general of supervision and guidance at the Manpower Ministry, Payaman Simanjuntak, said that the government will grant the GSP team special permission to observe the country's labour conditions at close range.

"If necessary, the team will be permitted to stay longer to observe the conditions in the provinces," he added.

Simanjuntak believes that Washington's decision to cut off Indonesia's GSP priviledges was the result of misunderstanding of the country's manpower conditions.

"They ought to know that every country has its own problems. Their threat was groundless as they have never observed the real conditions," he added.

Simanjuntak explained that the Americans had wrongly misinterpreted that the government had allowed any citizen to join the all Indonesian Labor Union (SPSI) or set up a new movement, but in reality this permission is only restricted to those who are employed.

He said the government is seriously looking into the issue to secure the US$650 million obtained from last year's exports to the U.S thorugh the GSP facility.

Tajudin Nur, a legislator of labour affairs, advised the government to tackle any labour abuses before the planned dialogues with the US delegation.

He said that the abolition of the facility will affect the country's industrial development.

The legislator urged the governmental team not only to focus on explaining the labour conditions to the GSP team, but also to give more serious attention on the issues affecting labour in the country.

Chairman of SPSI Imam Sudarwo said that his union is ready to receive the U.S GSP team.

"SPSI has done a lot to raise workers' incomes and guarantee their rights in [word indistinct] to strike and establish a union," he added.

Admitting that while some of Washington's claims may possibly be true, he expected the visiting team not to interfere in Indonesia's manpower affairs.

"Even if American lobbyists succeed in convincing the GSP team, it does not necessarily lead to the resolution of our manpower problems," he stressed.

Former vice chairman of USTR Carla Anderson Hills said that Indonesia should embark on a series of intensive negotiations with the U.S Government to mitigate the disputes, including the threat to abolish the GSP facility.

Some analysts said that the main issue facing the government is the implementation of an agreeable regulation to improve labour conditions.

Australia Increases Aid for Development

BK0309124093 Jakarta ANTARA in English 1027 GMT 2 Sep 93

[Text] Jakarta, Sept 2 (OANA-ANTARA)—Australia has increased its assistance for development projects in Indonesia by Aus$130 million (US$91.5 million) in the 1993-1994 fiscal year, Australia's ambassador said in a press announcement.

Last year's financial assistance from Australia reached Aus$128 million (US$90.5 million), the ambassador to Indonesia, Allan Taylor, said here in the announcement Wednesday.

According to Taylor, this year's assistance is focused on the development projects in eastern part of Indonesia, particularly in East Timor.

Police Official on Jambi Province's Growth

BK0209130593 Jakarta ANTARA in English 1041 GMT 2 Sep 93

[Text] Jambi, Sep 2 (OANA-ANTARA)—The Singapore-Johor-Riau triangle growth brings consequences to Jambi Province as a food supplier, making the region strategic from the view point of public order and security, a police authority has said.

The remark was made by police chief for the southern parts of Sumatera Major General (pol) Yusman H. Usman to a recent coordination meeting with his subordinated commanders here which was also attended by Riau governor, H. Abdurrahman Sayuti.

Being favoured with the triangle's overflowing growth, Jambi has to anticipate the consequences as earliest

possible. The police is expected to create stable and dynamic situation for the success of the triangle growth project, he said.

Rapid development in the growth triangle has turned Jambi to be not only a buffer region in the east but also a provider of opportunities for direct contacts with all activities on the Batam Island, the police authority noted.

The consequences the project may bring to Jambi are natural because of the proximity of the two regions.

The overland communication network in Jambi has been strategically increased after the completion of the East Sumatran highway linking Banda Aceh in the north with Bakauheni, Lampung, in the south through Jambi.

Suharto on Differences With 'Critic' Nasution

BK0309103693 Jakarta THE JAKARTA POST in English 23 Aug 93 p 1

[Text] Jakarta (JP)—President Suharto says he has been fully bound by-constitutional requirements over issues on which he differed with Abdul Haris Nasution, a staunch critic of the government.

Suharto said the dual role of the Armed Forces and the law on political parties were two issues in particular which caused a parting of the political ways between him and Nasution, according to Ruslan Abdul Gani a respected senior politician who met with the President on Saturday.

"But as the mandatory of the Peoples Consultative Assembly (MPR), I'm morally obliged to abide by whatever decisions are made by the country's highest political institution," Ruslan quoted Suharto as saying.

Ruslan led a delegation of the August 17 1945 Foundation leaders in paying a courtesy call on the President at the Bina Graha presidential office in which they discussed a wide range of domestic political issues, including the recent rapprochement between Suharto and Nasution. Other members of the delegation were former minister of information B.M.Diah, Mohamed Isnaeni, Supeno Sumarjo and M. Soleh Benyamin.

Nasution, Indonesia's most senior living army general, was the original conceptor of the Armed Forces (ABRI) Dwi Fungsi (dual- function) concept granting the military a political role in addition to its traditional role as a defense and security force.

After he quit public office in 1973 Nasution warned that the military was exceeding its political role. The former defense minister also joined the Petisi 50 [Petition of 50], a group of the government's most ardent critics, which was formed in 1980.

Suharto said on Saturday that differences of opinions with Nasution should not lead to personal conflicts and enmity.

"He (Nasution) is still my comrade in arms. I always pay great attention to his failing health and we always keep up good contact with each other," Diah quoted Suharto as saying.

Nasution, now 75, was the Provisional People's Consultative Assembly speaker who swore in Suharto as president in 1967.

Suharto and Nasution, both regarded as the founding fathers of the New Order administration that toppled the Old Order regime under President Sukarno in 1966, met for the second time in a month last Tuesday in the midst of the 48th Independence Day celebrations at the Merdeka Palace.

The two men met for the first time in more than 20 years last month during the induction ceremony of Armed Forces cadets.

Nasution had been ostracized since the early 1970s for his scathing attacks on Suharto's policies.

The President also told the August 17 Foundation delegation that he was willing to lend a helping hand by providing facilities if the crisis hit Indonesian Democratic Party (PDI) intended to hold an extraordinary congress following the party's chaotic congress in Medan, North Sumatra, last month.

Suharto called on the disputing parties within the PDI to resolve their problems and differences through the negotiating table in the spirit of Pancasila democracy.

"Whether PDI will hold its extraordinary congress to elect a new executive board is entirely up to the party itself to decide," Suharto said as quoted by Diah.

The Medan congress reelected incumbent Suryadi as PDI chairman to another term amid vehement protests from a number of party members ousted by Suryadi in 1988.

Suharto confirmed allegations by the August 17 Foundation board that there are growing indications that a group of intellectuals are making moves which, if tolerated, could lead to a heated debate on changes in the course of Pancasila and the Constitution.

The President used several examples in reiterating what he had said in his State of the Nation Address last week, that frictions and conflicts are part of the natural process of a growing dynamic society.

"But I once again stress that differences of opinions should be solved through democratic and constitutional means."

He reminded the audience that differences of opinion should not degenerate into disunity and enmity detrimental to national resilience.

HORISON Magazine Reappears After 'Dispute'

BK0109092793 Jakarta ANTARA in English 0752 GMT 1 Sep 93

[Text] Jakarta, Sept 1 (OANA-ANTARA)—One of the country's most respected literature magazines, HORISON, reappeared here Tuesday [31 August] afternoon, less than two months after an effort to turn out a "facelifted" edition ended in a dispute.

HORISON, which was prepared by its original publisher Yayasan Indonesia [Indonesian Foundation], hit the streets again following a simple ceremony led by its general manager Mokhtar Lubis at the Balai Budaya Arts Center, Central Jakarta.

The magazine so far has managed to survive for more than two decades although the number of its readers is getting more and more limited—a situation which several months ago prompted its editors to take cooperation ventures into their consideration.

Horison was desperately gasping for "fresh air" when Gunawan Mohamed of TEMPO, Indonesia's leading news weekly, tried to come to its rescue by injecting funds and new personnel.

At the beginning everything seemed so promising and people enthusiastically waited for the appearance of a new HORISON, which was not only thicker but also more fancy and attractive.

Until the new HORISON was introduced early July, no one expected to see the previously behind-the-screen dispute between Yayasan Indonesia and Grafiti Press (TEMPO's publisher) become public.

However, the old management of the magazine made it known that no formal agreement had been reached with Grafiti Press, therefore it could not allow the issuance of the facelifted HORISON.

The dispute then turned out to be a very bitter one, forcing both Yayasan Indonesia and Grafiti Press to exchange somewhat harsh words in the mass media.

Both in the end agreed that the July edition of HORISON would be the one and only new edition and that their cooperation efforts should be terminated.

No one was certain about what really caused the differences between the old and the new management, but many believed that Lubis and Mohamed's reputation as press titans stood in the way.

"Probably their ego is the biggest constributor to the differences," one observer said.

Whatever was the cause, Lubis and his Yayasan Indonesia then decided to relaunch the old HORISON starting with the July-August edition.

"We print 4,000 copies for the edition," its chief editor Hamsad Rangkuti told KOMPAS daily amid the relaunching ceremony which surprisingly attracted quite a number of youngsters.

Each copy is sold at rp [rupiah] 2,500 (around 1.50 US dollars), he said adding that Gramedia will still be its distributor.

According to Rangkuti, the old HORISON still has several million rupiah deposit and for the July-August edition it spent only rp 1 million (500 US dollars) from its pocket.

"We are still a cash-strapped magazine but we are certain that good old friends will continue to lend a helping hand," he said, referring to the pledged support from Eros Jarot, deputy chief editor of DETIK weekly tabloid, painter Abas Alibashah and essayist Emha Ainun Najib.

Aside from that a new advertising company, Global Sarana Media Nusantara, will also continue to put its ads in HORISON at least until the next five editions.

It also promises to buy 1,000 copies for every new edition of HORISON for distribution among various circles.

It seems that HORISON will be able to continue exploring the possibility of conducting a cooperation with other parties.

As one observer put it, "The monthly magazine might have failed in its cooperation with an enterprise like Grafiti Press but it will still enjoy the support of less gigantic but more determined companies."

Laos

Party Announces Somlat Chanthamat's Death

BK0309065793 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 3 Sep 93

[Announcement issued by the Lao People's Revolutionary Party Central Committee, the National Assembly, Government of the Lao People's Democratic Republic, and the Lao Front for National Construction Central Committee; dated 3 September]

[Text] The Lao People's Revolutionary Party [LPRP], the National Assembly, Government of the Lao People's Democratic Republic [LPDR], and the Lao Front for the National Construction [LFNC] Central Committee are deeply saddened to inform the multiethnic compatriots of all strata, cadres, party members, and combatants of all armed forces, and relatives and friends both near and far, throughout the country that Comrade Somlat Chanthamat, Political Bureau member of the party Central Committee and head of the Propaganda and Training Board of the party Central Committee, passed away at 2150 on 2 September 1993 of his own illness. He was 60 years old.

Throughout the period of his illness, party and state organizations attentively took care of him and provided him with all necessary medical treatment. A team of physicians from both within and outside the country tried its utmost to cure him in a high spirit of responsibility with the hope of saving his life. However, because his illness was so serious, Comrade Somlat Chanthamat has left us forever.

Comrade Somlat Chanthamat was a stalwart and loyal revolutionary combatant who led his life amidst the struggle movement of our people. He devoted all his intellect, energy, knowledge, and ability for national independence and freedom of the people and the cause of defending the new system and building and developing the country. Comrade Somlat Chanthamat was among party and state leaders who scored great achievements, such as in the field of political work and line of thinking for our party, state, and people. His demise is considered a great loss that has brought about grievous sorrow and mourning to our entire party, Army, and people.

To express gratitude and mourning for Comrade Somlat Chanthamat, the party Central Committee, the National Assembly, the Government, and LFNC Central Committee have agreed to announce a five-day observance of nationwide mourning. The public is hereby informed.

[Signed] The LPRP Central Committee, the National Assembly, Government of the LPDR, and the LFNC Central Committee
[Dated] Vientane, 3 September 1993.

Somsavat Greets SRV Counterpart on National Day

BK0209065693 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 2 Sep 93

[Congratulatory message from Somsavat Lengsavat, foreign affairs minister of the Lao People's Democratic Republic, to Nguyen Manh Cam, SRV foreign minister, on SRV's 48th National Day, 2 September]

[Text] On the 48th aanniversary of the Socialist Republic of Vietnam, I would like to take this honorable opportunity to extend warm congratulations and best wishes to Comrade.

Throughout the past, under the competent leadership of the Communist Party of Vietnam, the fraternal Vietnamese people have attained great victories of historical significance in the struggles for national independence and freedom, as well as the tasks to protect the fruit of the revolution and to build to gradually strengthen the country.

It is my great pleasure to note that the friendship, special solidarity, and all-round cooperation between the parties, states, and peoples of the two nations, have been incessantly improved and expanded for their benefit.

Attends SRV Reception

BK0209140193 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 2 Sep 93

[Text] Bui Van Thanh, ambassador extraordinary and plenipotentiary of the SRV to Laos, and his wife held a reception yesterday evening in Vientiane in celebration of the 48th anniversary of the SRV's national day. Somsavat Lengsavat, minister of foreign affairs, along with ministers, deputy ministers, and many high-level guests attended the reception on this occasion.

Editorial Commemorates Vietnamese National Day

BK0209095993 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 2 Sep 93

[2 September PASASON editorial: "Wishing The Vietnamese People New, Ever Greater Success in the Renovation Cause"]

[Text] Today, 2 September, the fraternal Vietnamese people are celebrating another National Day amid an atmosphere in which the entire party, Army, and people of Vietnam are positively and enthusiastically striving to implement various resolutions of the Seventh Congress of the Communist Party of Vietnam [CPV], particularly the fifth resolution of the CPV Central Committee on the line and method of modifying the agricultural work in rural areas, and marching forward along a new path. They are also celebrating the occasion at a time when they have won great achievements on the road of renovation.

Throughout the past 48 years, the heroic, indomitable Vietnamese people, under the leadership of the CPV, which was founded, trained, and fostered by President Ho Chi Minh, had fought shoulder to shoulder with the Lao people in the protracted, difficult, and hard struggle, in a high spirit of sacrifice, and together won complete victory in the national liberation cause, thus ending old and new colonialism. Since the victory, the Vietnamese people have achieved national unification and led the entire nation to continually march forward. At the same time, they have also fulfilled their glorious international obligations. For nearly 20 years since the liberation and reunification of the country, in light of the various trials arising from the adverse consequences of the war, the Vietnamese people have determinedly adhered to the party line and led the nation to advance along the path that they have chosen. They have overcome all obstacles and difficulties and won new achievements in many fields. They have systematically saved their nation from crises. Particularly noteworthy are their outstanding achievements in solving the food problem, which was considered a very difficult problem in the past. Vietnam has since become a rice-exporting country. Regarding this, in early 1993 alone, Vietnam exported nearly 1 million metric tons of rice to other countries. In the first half of this year, the volume of industrial production increased by 10.2 percent as compared to previous years.

Particularly since early this year, Vietnam has taken a positive initiative in carrying out various tasks in other countries. As a result, the mutual understanding in the relations, cooperation, and development between Vietnam and other countries has been enhanced. Foreign investment in Vietnam has also expanded, in both breadth and depth. In the first six months of this year, the Vietnamese Government has allowed foreign countries to invest U.S. $1.684 billion in Vietnam on 110 projects.

Following these satisfactory achievements and victories in continuing to carry on and expand their heroic traditions, the fraternal Vietnamese people have brought about a new, better shape for the Vietnamese country and explicitly achieved new steps of development in carrying out their strategic plan of renovation.

The Lao people are convinced that the Vietnamese people, under the correct leadership of the CPV, will be able to win new and greater successes in translating into reality the various resolutions and plans as put forth by the Seventh Congress of the CPV Central Committee, and to continue to march forward with firm and glorious steps. The Lao people have considered these achievements and victories of the Vietnamese people as their own.

The revolutionary causes of Laos and Vietnam have always related closely to each other. The parties, governments, and peoples of our two countries have always flourished and developed Lao-Vietnamese relations further, which were established, nurtured, promoted, and expanded by Presidents Kaysone Phomvihan and Ho Chi Minh. The relations of friendship, special solidarity, and all-round cooperation between Laos and Vietnam have remained clean and clear under all circumstances. They have even been consolidated with better quality in accordance with the actual requirements of each country in each particular stage.

In the new stage—the stage of national defense and construction, in particular this stage of all-round renovation—Laos and Vietnam have reiterated their maintenance of friendly relations. In all joint statements issued on different occasions, high-level party and state delegations of the two countries have reiterated the need for further enhancement and consolidation of the Lao-Vietnamese friendship relations and special solidarity. They have also reiterated changes in the means of cooperation, to make it genuinely effective in conformity with the potential of each country, on the basis of equality and mutual benefit, and in the spirit of genuine friendship, comradeship, and fraternity.

On the occasion of this glorious National Day, the entire Lao people once again would like to wholeheartedly express profound gratitude to the party, government, and fraternal people of Vietnam for having always given support and assistance to the Lao people in the cause of defending and building the country. Our Lao people also sincerely wish the fraternal Vietnamese people great and all- round achievements in their renovation cause.

President Sends Greetings to Uzbek Counterpart

BK3108053893 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 31 Aug 93

[Message from President Nouhak Phoumsavan to Uzbek President Islam Karimov on Uzbekistan's independence day—dated 31 August]

[Text] Respected Excellency Islam Karimov, on the occasion of the Republic of Uzbekistan's independence day, 31 August, on behalf of the Lao people and in my own name, I would like to convey best wishes to Your Excellency, and through Your Excellency, to all Uzbek people. I am convinced that the friendly relations and good cooperation between the Lao and Uzbek peoples will be increasingly promoted and expanded for the benefit of the peoples of the two countries and for world peace and security.

I wish Your Excellency good health, happiness, and new success in your noble cause.

Party Issues Resolution on Lao-Thai Amity Group

BK0209104193 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 2 Sep 93

[Resolution issued 23 June by the Political Bureau of the Lao People's Revolutionary Party Central Committee on the appointment of the Lao-Thai Friendship Association]

[Text] Based on the party's foreign policy on strengthening international relations, cooperation, and solidarity in the new stage and based on the proposal by the Organizing Committee of the Central Committee, the meeting of the Political Bureau of the Central Committee on 17 June 1993 issued the following resolution:

Article 1: Appointment of chairman, vice chairmen, and members of the Lao-Thai Friendship Association comprising the following comrades: 1. Comrade Khamphai Boupha as chairman;

2. Comrade Siho Bannavong, deputy chief of the Commission of Educational, Cultural, and Social Affairs, of the National Assembly, as vice chairman;

3. Comrade Thongsoukkhoun Phoumsavan, former deputy minister of trade, as vice chairman and secretary;

4. Comrade Maha Sikeo Souvannaphoum, deputy chief of the Political Research Committee, as vice chairman;

5. Comrade Dr. Bosengkham Vongdala, chief of the Institute of Science Study and Research, the Ministry of Education, as member;

6. Comrade Dr. Thongkham Onmanison, chief of the Mass Literature and Cultural Department of the Ministry of Information and Culture, as member;

7. Comrade Boua-ngeun Sapphouvong, member of the Lao Central Fine Arts Department, as member;

8. Comrade Vilachit Philakhamdet, member of the Lao Chamber of Commerce, as member.

Article 2: Working principles of the friendship association:

All activities of the friendship association, which are involved with political, economic, cultural, and social policies, must be uniformly guided by the Foreign Relations Committee of the Central Committee.

Article 3: The head of the Office of the Central Committee, the head of the Organizing Committee of the Central Committee, various party and state organizations, mass organizations, and various comrades concerned are instructed to acknowledge and strictly comply with this resolution.

Article 4: This resolution becomes effective on the date it is signed.

[Dated] Vientiane, 23 June 1993.
[Signed] Khamtai Siphandon, chairman of the Central Committee on behalf of the Political Bureau of the Central Committee.

Report on Aid Given to Labor Ministry in 1993

BK0109133393 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 1 Sep 93

[Text] A report presented by an official of the Ministry of Labor and Social Welfare at a meeting to review the implementation of plans in the first half of 1993 on the afternoon of 30 August pointed out that in the first six months of this year the ministry received aid worth 1 billion, 14,168,241 kips from international relief organizations for victims of natural calamities. Of these, 733,977,636 kips were from the office of the UN High Commissioner for Refugees, and 280,190,605 kips were from non-governmental organizations. In addition, the ministry also coordinated with the [SOF] organization in designing and building friendship villages to accomodate some 5,200 orphans and 610 families of 2,304 repatriated Lao refugees.

(Ngi Singpaseut), deputy minister of labor and social welfare, said that the ministry is preparing conditions to build more friendship villages by coordinating with certain services concerned and the [SOF] organization, including a new village for repatriated refugees at the Long Lieu area in Keo Oudom District, Vientiane Province, with an aid of U.S. $900,000 donated by the U.S. Government.

Philippines

Bomb Threat Disrupts House of Representatives

HK0209121193 Manila Manila Broadcasting Company DZRH in Tagalog 1100 GMT 2 Sep 93

[Text] The House of Representatives received a bomb threat this morning while legislators were having a session. While House Speaker Pro Tempore Raul Daza was presiding over a deliberation, personnel from the legislative security group said they received a phone call saying that a bomb would explode at the Congress building at exactly 1045 [0245 GMT]. The time expected for the bomb to explode has passed, however, and the authorities have not yet found any bomb planted in the building.

Communist Leader Opposes Total Amnesty Plan

HK0209154193 Hong Kong AFP in English 1047 GMT 1 Sep 93

[Text] Manila, Sept 1 (AFP)—Communist insurgent leader Jose Maria Sison said Thursday he would oppose any blanket amnesty offer and threatened to abort planned peace talks with the Philippine Government if it pardoned military coup plotters. The Communist Party of the Philippines (CPP) founder said in a statement from exile in the Netherlands that a total amnesty offer would be "just and reasonable ground for the revolutionary forces to terminate the exploratory talks."

Howard Dee, who was appointed to head the negotiating panel with the communists, said he did not know if President Fidel Ramos was going to issue such an amnesty proclamation. He said the government already knew Sison's position, and it "is being considered." The Ramos government is currently preparing an amnesty package as part of a peace settlement it plans to negotiate with communist guerrillas, military coup plotters and Muslim insurgents.

No concrete details of the amnesty plan have been made public so far ahead of planned exploratory talks with the CPP in Vietnam sometime next month, which are expected to pave the way for formal talks aimed at ending the 24-year-old communist rebellion. Dee said they were still making informal representations to the Vietnamese Government for the holding of the peace talks there, but added that "there is no reason why they will not welcome" hosting the talks. Formal talks are already underway between Manila and rightist military rebels who mounted seven coup attempts from 1986 to 1990, but the government has yet to agree on a venue and date for talks with Muslim guerrillas.

Sison claimed blanket amnesty would "sabotage" a pending damage suit against the estate of the late deposed dictator Ferdinand Marcos which has been filed in a U.S. court on behalf of 10,000 Filipino victims of torture and illegal executions during the 20- year Marcos regime. He claimed Ramos was planning to release 13 soldiers and policemen who have been jailed for life for the 1983 murder of opposition leader Benigno Aquino "and the complete freedom of the military coup makers." Sison warned CPP cadres and the party's New People's Army (NPA) guerrillas against falling for a presidential pardon, saying it would expose them to the posssibility of being "extrajudicially killed" by government forces.

Political observers say Sison is concerned over the possibility of further weakening the CPP-NPA base, following the breakaway earlier this year of the party's Manila-based guerrillas, party members and legal political organizations. The CPP-NPA is independently estimated to have about 10,000 armed guerrillas and 30,000 party cadres across this southeast Asian archipelago of 64 million people. The insurgency was launched in 1969 and peaked in the mid-1980s, around the period leading to the "people power" revolt that overthrew Marcos in 1986.

NDF Threatens Peace Talks

HK0309032293 Manila PHILIPPINE DAILY INQUIRER in English 3 Sep 93 p 1

[Text] Exiled communist leader Jose Ma. Sison yesterday warned President Ramos that the National Democratic Front [NDF] shall scrap proposed peace talks if the government proclaimed amnesty for all rebels. "The proposed amnesty proclamations reveal the malicious objectives of the Ramos regime and underscores the just and reasonable ground for revolutionary forces to terminate the exploratory (peace) talks," Sison said in a statement faxed from his exile in Utrecht, The Netherlands.

The National Unification Commission, which initiated talks with communist guerrillas, military dissidents and Moro separatists, has recommended general and unconditional amnesty for all rebels. Mr. Ramos was expected to issue within the next few days an amnesty proclamation for all rebels and another for government troops who took part in counterinsurgency operations. The amnesty proclamations were scheduled early this week but were deferred for still unknown reasons.

Other communist leaders have rejected the amnesty plan, saying it implied guilt on their part.

Sison, founder of the Communist Party of the Philippines, said the principal beneficiaries of the amnesty proclamations were soldiers, policemen, and vigilantes who have "engaged in the bloody suppression of the revolutionary forces" and "the few who have turned traitors to the movement and have become special agents of the regime."

There was no immediate government reaction to Sison's statement.

"The proposed amnesty proclamations cannot induce the real revolutionaries and real communists to surface. Neither can these divide the revolutionary movement," Sison said. He said any revolutionary who errs in availing of amnesty can either be slapped with "charges of common crimes for personal gain." "Worse, the suspect can be extrajudicially killed by the military, police, or vigilantes who are now assured by the proposed amnesty that they can kill revolutionaries and communist suspects with impunity," Sison added.

He said the proclamations were meant to "erase the culpability of (the Ramos administration) and that of the Marcos and Aquino regimes for the grossest human rights violations." This, he said, would "sabotage....human rights cases against the Marcoses in the United States and the release of the assassins of Benigno Aquino."

Hopes for a new round of exploratory talks were rekindled this month when the NDF agreed to a government proposal for a meeting in Vietnam. Hanoi, however, denied exploratory talks have been arranged in Vietnam and disclaimed any relations with the NDF. Luis Jalandoni, NDF vice chairman, said Manila should have consulted with Hanoi first.

Senate Committee Wants IMF Talks Deferred

HK0209052893 Manila BUSINESS WORLD in English 2 Sep 93 pp 17, 18

[Report by Cristina D.C. Pastor]

[Text] The Senate committee on economic affairs yesterday endorsed moves to defer negotiations with the International Monetary Fund (IMF) even as finance officials warned the absence of an IMF program will "slow down" inflow of loans.

Committee chairperson Senator Gloria Macapagal-Arroyo said she will report out Senate resolution 408 "urging President Fidel Ramos to defer further negotations with the IMF for a new extended fund facility and to consider the current impasse as a singular opportunity to formulate a flexible, sustainable and truly independent economic program under the Medium-Term Philippine Development Plan."

Officials of the Department of Finance (DoF), the National Economic and Development Authority (NEDA) and the Bangko Sentral ng Pilipinas [Central Bank of the Philippines] (BS) voiced apprehensions that without an IMF program future commitments from creditors may be "adversely affected."

Finance Undersecretary Romeo Bernardo said $160 million in "economic integrated loan" from the World Bank and the Eximbank of Japan "will likely be delayed" if an IMF program is not place. He further said the country may not be able to reschedule its Paris Club loans without the IMF "seal of good housekeeping."

Consequently, without a Paris Club loan rescheduling, he said a potential financing of $2.2 billion to bridge the balance of payments deficit will be "foregone."

"The absence of an IMF program can reduce investor confidence that will negatively impact on the inflow of foreign investments needed for the growth requirements of the economy," Mr Bernardo told a public hearing on the resolution filed by minority leader Senator Wigberto Tanada.

NEDA deputy director general Dante Canlas and BS deputy governor Edgardo Zialcita echoed the DoF position, even as the latter maintained the Philippine economy can "take off even without a Fund program."

"It may be desirable to have this arrangement (IMF program) so we can have access to external resources," Mr Zialcita told the hearing.

He told BUSINESS WORLD after the hearing this may be the last time Government will run to the IMF if the program proceeds and unlocks pledged commitments, some debt relief package, and rescheduling arrangements with bilateral and multilateral creditors.

"After this exit program, we're ready to swim in the swimming pool," he said.

For his part, Mr Canlas said an IMF program will enable Government to maintain a sound balance of payments position which he described as "still healthy." International reserves are hitting $6 billion which is equivalent to about three months of imports, he said.

After listening to the testimonies, Ms Macapagal-Arroyo said the consensus appears to be that there is "no urgency to this program," and announced she is co-authoring the Tanada resolution.

She said the impasse will allow Government to evolve an independent economic plan without the intervention of the IMF.

Mr Tanada said an economic plan independent of the IMF will avoid the imposition of onerous taxes on the people. But Mr Bernardo said the IMF does not tell the Philippine government to slap taxes, but merely inquires into its strategies for narrowing deficits.

ADB Officials Deny 'Kowtowing' to IMF

HK0309031293 Manila BUSINESS WORLD in English 3 Sep 93 p 1

[Report by Mary Rose L. Maipid]

[Text] As a matter of policy, the International Monetary Fund's [IMF] seal of approval is not necessary for the Asian Development Bank's [ADB] country programs to push through.

In an interview with BUSINESS WORLD, ADB officials denied allegations made by nongovernmental organizations that the ADB is kowtowing to the IMF.

ADB Philippine desk senior programs officer Thomas P. Walsh said the bank is aware the Philippines has not yet been able to secure an exit program with the IMF, "but it has not kept us from continuing processing projects in the country program."

At present, the bank is actively processing at least eight loan proposals listed in the 1993 country program, three of which are nearing presentation to the ADB board for approval.

Even as Mr Walsh gave his assurance, however, ADB programs department (East) manager Werner Schelzig admitted the ADB does look to the IMF for "non-objection" on policy-based or sectoral adjustment loan proposals.

"Whenever we do program loans, we seek the IMF's non-objection. After the negotiations (between the ADB and the Philippine government agencies executing the programs) are complete and we have an agreement, that's when we seek (the IMF's opinion). We tell them what we're doing," he said.

Mr Schelzig was quick to point out this is not new or unique to the Philippines. "We do not have special procedures on going to the Fund for the Philippines' case," he said.

He added there "has not been one case when we had an objection because, by the time we are ready to go with these things, we had heavily weighed the content or the usefulness of the loans."

ADB chief information officer Maurice Bauche added that the bank consults with the IMF during the processing of program loans in order to ensure the ADB's package of reforms are consistent with that of the IMF.

Mr Schelzig maintained, however, that there "is no hard fast rule," saying the bank has pursued program loans in countries where there are no IMF programs, where there are ongoing IMF programs, or where there had been IMF programs.

"It's just that program loans are more complicated because there are policy issues and (these programs) involve large infusions of money. So there is more care and analysis needed, unlike the project specific loans," he said.

At present, the ADB and the Philippine Government are negotiating for the approval of two program loans—one is a $100 million package for capital market development; the other, a $125 million foodcrops sector program.

The capital market development program was first proposed in March 1989 and will be executed by the Department of Finance [DoF].

The foodcrops sector program was proposed in November last year by the Department of Agriculture.

House Backing

Meanwhile, members of the House of Representatives yesterday backed the recent Senate move to endorse the deferment of negotiations for a new extended fund facility with the IMF as the Ramos Administration is still on pins and needles over its ambitious P319.2-billion revenue program next year.

"I don't think Government should be in a negotiating mood. The funding sources for its revenue program still

hang in the balance," House minority member and former economic affairs committee chairman Rep Margarito Teves told BUSINESS WORLD.

Officials of the National Economic and Development Authority (NEDA), the DoF and the Bangko Sentral ng Pilipinas earlier expressed apprehension over the adverse effects of a "no-IMF program" on the economy.

In yesterday's House committee hearing, Socio-Economic Planning Secretary and NEDA Director-General Cielito Habito warned Congress a larger deficit would translate into a higher inflation, "the single most important macroeconomic variable we should continue to safeguard."

"Of course, we can buy ourselves out of our debt situation... but this is iffy. We should be more prudent in our decisions," he stressed.

House solons have hit the position of finance officials in imposing a windfall of new tax measures this year instead of "fine- tuning" the programmed consolidated public sector deficit (CPSD) of 2.9% of gross national product to at least 4% of GNP despite its minimal inflationary effects.

"Why do they appear sacrosanct about their targets? [sentence as published] Maybe they are not that confident about their revenue estimates," Mr Teves said.

In a related development, Exequiel Javier, House ways and means committee chairman, warned Congress of the possible repercussions of not supporting Malacanang's tax package.

In a sponsorship speech on House Bill No. 9187 increasing the tax on stock transactions to ½ of 1% from ¼ of 1%, Mr Javier said: "If we reject this measure and other revenue measures, we will leave the President with no choice but to continue with the additional levy on imported oil and probably to take more preemptive executive actions to close the burgeoning fiscal gap and avert an economic disaster."

Stocks Tax

On a daily turnover of P200 million [Philippine pesos] in the stock market or P73 billion annually, Government expects to rake in revenues amounting to P1 million daily or P365 million anually. The DoF has pegged the target revenues at a more conservative P220 million.

Mr Javier claims the proposed 100% increase is "reasonable," compared with Korea's 50% tax on stock transaction and 20

on net gains and Malaysia, 30 cents for every M$100 transacted plus 20

on net gains; and Japan, with 0.12% plus 20% on net gains.

"In these countries, the tax on stock transaction is in addition to the tax on net gains. Under the proposed measure, the tax is in lieu of the tax on net gains," he said.

Mr Javier added the Philippines is the only ASEAN country "which does not impose tax on net gains," although he failed to give figures for the other five countries.

Earlier, the Philippine Stock Exchange (PSE) noted the 100% tax increase will give the Philippines the highest rate on stock transaction tax despite its having the smallest volume of value traded among ASEAN countries.

A study conducted last year by the East Asian and Oceana Stock Exchange Federation (EAOSEF) showed the Philippines currently has a tax rate slightly higher than other ASEAN countries such as Indonesia's 0.088% and Thailand's zero percent.

Based on 1992 figures, the Philippines traded US$3.070 billion worth of shares compared to Indonesia ($3.931 billion), Singapore ($13.930 billion), Malaysia ($19.419 billion), and Thailand ($73.289 billion). The value of shares traded in other Asian countries are as follows: Australia ($42.827 billion), Hong Kong ($78.663 billion), Korea ($116.007 billion), Taiwan ($232.956 billion), and Japan ($598.882 billion).

The PSE urged Congress to reconsider its proposal, saying the move "will be disincentive, most specially for foreign funds which not only have to pay higher taxes here, but (which) have to contend with a weak currency and poorer prospects as compared to other ASEAN countries."

It added the proposed imposition is needless due to an uptrend in government revenues generated from the stocks transaction tax.

Citing official records, the PSE said Government was able to generate P105 million from STT in 1989; P56 milion in 1990; P74 million in 1991; and P141 milion in 1992.

This year's first quarter figure is already 59% of the total annual revenues in 1992, and could even reach up to P336 million—eventually translating into a 13% increase, the PSE predicted.

Regardless of the proposed imposition, the picture is rosy for the country's stock exchanges, the PSE said. Government can expect approximately P8.2 billion in new issues slated for listing in the stock exchanges this year, of which about P350 million will be generated from transaction taxes.

The PSE also cautioned lawmakers against adversely affecting the momentum of corporations opening shares to the public.

"Given our still growing stage of capital formation, measures to enhance and not retard it should be the focus of the country's lawmakers," the PSE said.

Foreign Secretary Discusses 'Post-Bases' Policy

HK0209154093 Hong Kong AFP in English 0849 GMT 2 Sep 93

[Text] Manila, Sept 2 (AFP)—Foreign Secretary Roberto Romulo said here Thursday that the Philippines should be more outward-looking and broaden its markets across the world after relations with the United States cooled down. He told businessmen that the Philippines' westernized values could translate into more favourable treatment, but admitted that the country would have to make itself more competitive in exports, foreign investment and tourism.

Romulo said the Philippines, which has been left behind by its neighbors and is often emroiled in politics, will have to "grow up and be outward-looking" in order to expand its trade relations with the rest of the world.

He cited the cooling of Philippine-U.S. relations after Manila closed all U.S. bases in the country in 1992, saying the U.S. had feelings of either rejection or indifference towards the Philippines. "We have this romantic notion that Mother America will always provide. The fact is there is no free lunch anymore," he added, citing a continued drop in U.S. aid.

He said his department was re-orienting itself more towards "economic diplomacy," in order to boost trade and investment. "The Western world, whether we like it or not, has shared philosophies with us," Romulo said, adding that in contrast with most of Asia, "we have different values that happen to coincide with others" outside the region. The Philippines, a former colony of Spain and the United States, is the only Christian nation in Asia and has one of the region's strongest democratic traditions but it has been outpaced economically by its neighbors.

Romulo noted that in contrast to China, criticized by Western nations for human rights abuses, the Philippines was recently commended by the European Community for its human rights policies. He said "this could translate into many things," noting that China was being threatened with trade sanctions due to its lack of protection of human rights. "Maybe there is something in it for us," he added.

He said the expected U.S. visit of President Fidel Ramos in November, would hopefully boost investment and trade and lead to a closer "post-bases relationship."

Thailand

Ministry Says U.S. Postpones Trade Decision

BK0209030693 Bangkok BANGKOK POST in English 2 Sep 93 pp 19, 28

[Text] The United States Trade Representative (USTR), Mickey Kantor, has postponed the decision to remove Thailand from the "priority foreign country" list of copyright and patent offenders until tomorrow, after talks with Commerce Minister Uthai Phimchaichon.

A Commerce Ministry source said Mr Kantor wanted confirmation from Mr Uthai that the Thai Government would continue cracking down on video and audio tape piracy in Thailand.

The USTR was due to announce on August 30 whether Thailand would be removed from the list and placed on the less-threatening "priority watch" list.

He said Commerce Ministry Permanent Secretary Phatchara Itsarasena last night (Bangkok time) had held a second round of talks with Deputy USTR Robert Cassidy about ways of solving the dispute over the protection of intellectual property rights, particularly the Thai tariffs on imported exposed film and pipeline protection for pharmaceutical products which are not yet marketed in Thailand.

The source said the results of the discussions between the USTR and Thailand would be submitted to the Trade Policy Review Group, which comprises ministers concerned with international trade.

He said it was expected the two sides may exchange letters stating reasons why Thailand had been lifted from the priority foreign country list and asking the Thai Government for continuous action against piracy.

The US earlier said it had decided that it needed more clarifications from Thailand before making any decision regarding Thailand's status under the special 301 provision of the US Trade Act.

At the meeting here on Tuesday between Mr Phatchara and Mr Cassidy, the Thai side was told that the US still was not quite satisfied on certain technical issues. Mr Phatchara promised to get the clarifications for the US immediately.

There will be more discussion later on this week between the USTR and Mr Phatchara on these pending technical clarifications. US officials said that it is not obligated to make a decision on Thailand by August 31, even though the date was set as a benchmark.

Among the technical questions that the US has is the issue of tariffs on exposed film. While the Cabinet has approved a tariff reduction from 30 baht per metre to 10 baht and leaves open the possibility that the rate can be reduced further to a maximum of five baht, the rate is

still considerably higher than those in Thailand's neighbouring countries. The average tariff rates on exposed film in Southeast Asia range from O to 2.5 baht.

There are also some technical questions that the US has raised with regard to several provisions in the Copyright Amendment which the Cabinet submitted to the Parliament before the end of the last session. The Amendment was not on the Cabinet's priority list and therefore still has not passed the first reading or been adoDted bv the Parliament.

Except for a few technical issues the Amendment was hailed by the US and the international community as a good amendment which meets international standards. It was the product of the hard working efforts of Yanyong Phuankrat, the deputy director-general of the Intellectual Property Department.

Mr Yanyong is not part of Mr Phatchara's latest delegation to Washington, and neither is Suchai Chaowisit the director-general of the Intellectual Property Department. Mr Suchai is believed to have had a falling-out with Mr Phatchara after he publicly denied Mr Phatchara's claim that the latter had never been informed of the film tariff issue before the July meeting with the US.

Official 'Confident' of Avoiding U.S. Measures

BK0209132893 Bangkok Army Television Channel 5 in Thai 1200 GMT 2 Sep 93

[Text] Deputy Commerce Minister Churin Laksanawisit is confident that Thailand will escape from U.S. trade protectionist measures soon. He says the United States is satisfied with Thailand's suppression of copyright violations. However, it still wants Thailand to reduce import duties on film to below 10 baht per foot. Thailand is willing to consider this matter, but there might have to be reciprocation on the U.S. part.

[Begin Churin recording] It could be reduced to 5 baht in the event that the matter is negotiated in the GATT. We feel that if the United States wants the duties to be reduced to below 10 baht it will have to be negotiated in the GATT. But there will have to be something given in exchange. [end recording]

Churin also said that suppression of copyright violations and reduction of film duties will enable Thailand to escape from the trade protection measures soon.

Thailand Evaluates Returning Workers From Libya

BK0209033393 Bangkok THE NATION in English 2 Sep 93 p A 1

[Text] Bangkok is caught in a bind over repeated calls by the United States to recall about 200 Thais working in alleged chemical weapons plants in Libya as fear continues to grow that Washington might attack the sites, sources said yesterday.

The sources, who asked not to be identified, said Thailand has to take into consideration Libya's longstanding threat to expel all 25,000 Thais working in the country if the Thai authorities decide to repatriate the 200 workers at the chemical plants.

Thailand would be severely affected if all Thais had to leave Libya especially if there is no attack on the country, they said.

Meanwhile, the National Security Council has sent a "confidential" report to the Interior Ministry on the Thai workers in Libya entitled "Thai Workers Are Involved in Terrorism".

The report said about 200 Thais are working in the chemical weapons plants in Libya, which the United States considers as an act of terrorism or one in support of terrorists.

It said the United States has urged Thailand to recall its nationals who are allegedly working at the plant illegally.

To prevent this from reoccurring, the Interior Ministry will issue new labour regulations forbidding Thai workers to work in any arms factory, Deputy Interior Minister Suthat Ngoenmun said yesterday.

Suthat said the regulations would fix tough punishment, including both fines and imprisonment, for violators.

The new regulations will be proposed to the Interior Ministry soon and announced in the Royal Gazette later this month when they come into effect.

Suthat said the 200 workers who allegedly work in weapons plant had been sent to Libya by three labour agencies—the SCP Suppachok Co, the W & M Association Co, and the Handle Group Co.

Suthat said the Interior Ministry had withdrawn the licence of the SCP Suppachok Co last year, and the two other firms had no permission from the ministry to operate as labour agencies.

The three agencies send workers to the Middle Eastern country without the knowledge of the government, he said.

In a related development, Foreign Ministry spokesman Sakthip Krairoek yesterday said US Charge d'Affair Matthew Daley urged the Foreign Ministry to repatriate the Thai workers. A similar appeal was conveyed to Interior Minister Gen Chawalit Yongchaiyut on Monday.

Sakthip said Daley met with Suwit Simasakun, director-general of South Asian, Middle East and Africal Affairs. The spokesman quoted Daley as telling Suwit that bombing the chemical plant would be the last resort to settle the conflict, as innocent people will certainly be affected and the United States condemned for the action.

The United Nations, acting on a proposal from the United States, France and Britain, imposed sanctions on

aviation, diplomacy and arms trade against Libya as retaliatory measures when Tripoli failed to hand over two suspects accused of planting a bomb on a Pan Am plane which blew up over Scotland in 1988.

The UN is expected to include key oil-related, financial and techhological areas in the sanctions on Oct 1 if Tripoli continues to be defiant.

The United States has warned that tough retaliatory action would be taken against Libya if it refused to hand over the two suspected bombers.

Sakthip said if the new sanctions are imposed, Thais in Libya will be indirectly affected, forcing them to return home. The Thais are working for a consortium of Italian, Greek and South Korean companies in the fields of construction irrigation and heavy water.

Editorial on Workers' 'Safety'

BK0309095193 Bangkok MATICHON in Thai 3 Sep 93 p 8

[Editorial: "The Fate of Thais in Libya"]

[Text] Suddenly Thai workers in Libya have found themselves in the middle of a test of strength between the United States and Libya. Some 25,000 Thai workers could become victims of U.S. bomb attacks if the United States decides to carry out its threat to bomb Libya by October if Libya refuses to deliver the individuals it accused of blowing up the passenger plane over Scottish airspace a few years ago. The U.S. charge d'affaires was dispatched to meet with Interior Minister General Chawalit Yongchaiyut on the possibility of danger to Thai workers from the U.S. attack.

It is common knowledge in the international community that the United States and Libya are enemies. Years ago, U.S. planes bombed Libyan military targets and the quarters of Libyan leader Colonel al-Qadhdhafi to try to eliminate him. In the latest development, the United States wants to bomb what it claims to be Libyan nuclear and chemical weapon plants. About 200 Thai workers are employed at these plants. By informing the Thai official, the United States claims that it does not want to hurt Thai workers if it should carry out the bomb threat.

In addition to claiming good intentions for the safety of Thai workers, the United States also is reminding Thailand to heed the UN resolution against the production of nuclear and chemical weapons. This means that it is the duty of the Thai Government to move Thai workers out of Libya for their own safety. The Thai Governmment is in an unenviable position in the middle of the superpower's show of strength. The expense of evacuating some 25,000 people from a country is certainly huge, and it cannot be accomplished as easily as if the evacuation is done in a country's own territory. Is the United States going to provide any assistance or share any expenses?

In the Libyan point of view, it would want foreign workers to continue their work out of necessity, as well as out of the fact that they can be used as a political pawn to bargain with the muscle-flexing superpower. This is because if foreign workers are killed by the U.S. bomb attacks, the party to be condemned is the United States, not Libya. From the U.S. point of view, foreign workers are encouraged to leave Libya because this will result in a manpower shortage which would hinder Libyan development. The absence of foreign workers would also enable U.S. bomb attacks to proceed without cause for concern.

A way out for the Thai Government, which must be concerned for the safety of Thai workers in Libya, is to have all the workers in any weapon plant or nuclear powerplant (if any)—reportedly about 200—leave Libya. Thai workers should be advised to find living quarters away from plants which could be targets of U.S. bombs. In the past, U.S. attacks were aimed at military targets, avoiding civilian targets, and the duration of the attacks was short. In short, Thai workers in Libya should keep their distance from places which could become targets of U.S. bombs in October.

Officer: 'No Impact' From Cambodian Fighting

BK0209143193 Bangkok Voice of Free Asia in Thai 1030 GMT 2 Sep 93

[Text] Lieutenant General Chettha Thanacharo, commander of the 1st Army Region, said during an interview yesterday that there had been no impact on Thailand from the attack on Poipet in Cambodia because the incident occurred far from the border. The officer granted an interview after he opened an annual seminar of officials of the Internal Security Operations Command at the 1st Army Region Command Headquarters. He reaffirmed that there was no cause for worries; the military had been following the situation closely.

When asked about a report that a Thai trader was killed in the attack, the officer said he received no report to that effect but expressed his sorrow about such an incident. When asked about possible return fire, he said that Army Commander General Wimon Wongwanit made it a policy that the military can offer strong retaliation if Thailand's sovereignty is violated, but the units concerned must decide carefully on retaliation measures. The commander of the 1st Army Region noted that relations between Thailand and Cambodia are smooth at present, and that warnings should be enough as a signal to the other side. If there are losses, Thailand will no longer remain idle.

Concerning the attack on Poipet, eyewitnesses said the attackers opened fire on the market, which is at the Cambodian border and also a major border crossing between Thailand and Cambodia. The attack left two Cambodians killed and three wounded.

Thailand Hosts Indochinese Policymakers' Meeting

BK2808094693 Bangkok Radio Thailand Network in English 0000 GMT 28 Aug 93

[Text] At the end of a four-day socioeconomic dialogue meeting in Hua Hin, Thailand, Indochina countries called for increased technical cooperation and underlined the benefits of their formal entry into ASEAN, with Vietnam stating its readiness to participate in ASEAN activities immediately.

Cambodia, Laos, Thailand, and Vietnam called for the establishment of formal links between economic policymakers to better tackle common economic concerns such as border trade. Future cooperation could also cover foreign investment, tourism, and trade promotion.

About 60 senior economic policymakers, resource persons, and observers took part in the Indochina Socioeconomic Dialogue sponsored by the UN Development Program, or UNDP, and the Government of Thailand. The Asian and Pacific Development Center and the East- West Center coordinated and organized the meeting.

The meeting aimed to stimulate open dialogue at the senior policy makers' level to discuss priority economic concerns in the region. Topics discussed ranged from inflation management, domestic savings mobilization to the preparations of Indochina countries' entry to ASEAN. All delegations emphasized the need for increased cooperation, human resouces development, information exchange, and joint research to assist the Indochina countries overcome the adjustment pains during this transition period.

Thailand renewed its offer to support Cambodia, Laos, and Vietnam through technical cooperation on education and training.

Official Visits Japan To Open Labor Office

BK3108101193 Bangkok Radio Thailand Network in English 0000 GMT 31 Aug 93

[Text] A Thai labor office has been opened in Japan to assist Thai workers and to coordinate with the Government of Japan and the private sector in dealing with the labor issues. The office was officially opened by Deputy Interior Minister Suthat Ngoenmun during his visit to Japan last week. He returned to Thailand on Saturday with 57 repatriated Thai workers.

Mr. Suthat said Japan's law forbids foreign workers except for certain types of jobs. However, Japan supports training workers and those who pass the test can work there for two years and enjoy the same rights as Japanese workers.

Mr. Suthat said Thailand and Japan will cooperate on repatriation of illegal Thai workers. Japanese authorities will be sent to discuss the matter with their Thai counterparts in Bangkok during 13-14 September 1993.

Government, PRC Plan Pact on Mekong River

BK0209024593 Bangkok BANGKOK POST in English 2 Sep 93 p 3

[Text] Thailand and Yunnan Province in southern China will sign a Memorandum of Understanding in Kunming later this month to operate cargo transportation and tourism services on the Mekong River, Deputy Communications Minister Charas Puachuay said yesterday.

Mr Charas said the boat services will operate between Jing Hong Port and Chiang Saen District of Chiang Rai Provmce.

China has made available several hydrofoils for the service on the Mekong River while two Thai companies plan to commence ferry services in early October, he said.

A radio station will be built at the halfway point of the 380 kilometre long route, probably in Luang Nam Tha of Laos, to monitor transport activities along the Mekong River, he said.

Passengers will have the convenience of immigration procedures at Jing Hong Port and Su Mao Port, about 86 kilometres upriver, as the ports have been granted international status by the Chinese central government in Beijing, Mr Charas said.

Prior to this, passengers had to travel about 800 kilometres more from Jing Hong Port to Kunming to arrange immigration . formalities, he said.

Mr Charas said Yunnan authorities have promised to ask Beijing to approve direct flight services between Chiang Rai and Jing Hong. Jing Hong Airport has already been upgraded to an international airport with immigration procedures, he added.

The deputy minister said that China had reconfirmed its 440- million baht soft loan to Burma for construction of a highway from Tachilek border pass, via Burma, to southern China.

He said the Thai Government had decided to set aside a 300 million baht fund to improve a two-lane highway which is about 161 kilometres long from Tachilek (opposite Chiang Rai's Mae Sai District) to Kengtung of Burma.

The remainder of the highway from Kengtung to the Chinese border town of Ta Lua will be financed by a soft loan provided by China.

Ophat Arunin To Become New Attorney General

BK0209034393 Bangkok THE NATION in English 2 Sep 93 p A 3

[Text] Attorney General Komen Phattharaphirom, due to retire this month, will be replaced by Deputy Attorney General Ophat Arunin.

The 14-member Public Prosecutors Commission has passed a resolution on the reshume which will affect 72 public prosecutors, the Office of the Attorney General said.

The agency reshuffle involves public prosecutors from divisional level to senior departmental level including the deputy attorney general and attorney general. It will become effective on Oct. Observers said the transfers as endorsed by the panel mostly conformed to the reshuffle list proposed by outgoing Attorney General Komen.

Ophat said: "I'm delighted at being appointed attorney general. I still can hardly overcome my excitement, because previously there were reports that cronyism was to be a factor. The first thing I'm going to do in office is to stop internal bickering.

Ophat is expected to remain in office for only a year before his mandatory retirement at the age of 60 next year.

Vietnam

Nguyen Thi Binh Receives Olympic Offical

BK0209102993 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 1 Sep 93

[Text] On 31 August, Vice President Nguyen Thi Binh warmly received Mario Vazques Rana, president of the International Olympic Committee [IOC] in the Presidential Palace. Vasques Rana was paying a visit here to help Vietnam in sports and physical training.

Vazques Rana highly valued Vietnam's open-door policy on foreign relations. He stated that although Vietnam is facing many difficulties, its sports and physical training programs are developing well. He also expressed his wish to help Vietnam in regard to sports and physical training.

The vice president thanked Vazques Rana for his visit. She said that his attention encourages the sports and physical training movement in Vietnam. She expressed her hope that the relation between Vietnam and the IOC will continue to develop.

Attending the reception were Minister Ha Quang Du, president of the Vietnam Olympic Committee, and Le Bieu, director of the Sports and Physical Training General Department.

During his visit, Vazques Rana held talks with the Vietnam Olympic Committee and the Sports and Physical Training General Department on issues relating to sports and physical training of mutual concern.

Official Receives Thai Military Delegation

BK3008070393 Hanoi VNA in English 0639 GMT 30 Aug 93

[Text] Hanoi VNA August 3—A delegation of the Thai Royal National Defence College led by Lt. Gen. Ithiphon Sangkhawasi, superintendent of the National Defence Study Institute, and Lt. Gen. Bunsak Kamheangrithirong, director of the National Defence College, visited Vietnam from August 23-28.

While here, the delegation paid a tribute to President Ho Chi Minh at his mausoleum. It was received by Commander-in-Chief of the Vietnam People's Army Sr. Lt.Gen. Dao Dinh Luyen, and Deputy Foreign Minister Le Mai.

It also had working sessions with the high military institute, and visited the 7th military zone, Ho Chi Minh City and a number of economic and cultural establishments.

Vo Van Kiet Greets New Algerian Prime Minister

BK2608152793 Hanoi VNA in English 1452 GMT 26 Aug 93

[Text] Hanoi VNA August 26—Prime Minister Vo Van Kiet today sent a message of greetings to Mr. Redha Maled on the occasion of his appointment as prime minister of the Democratic and Popular Republic of Algeria. In the message, P.M. Vo Van Kiet expressed his wishes for the further consolidation and development of the friendship and cooperation between Vietnam and Algeria.

Diplomats Attend National Day Reception

BK0209105593 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 2 Sep 93

[Text] Representatives of 16 consulates general and economic agencies from various countries in Ho Chi Minh City went to the Ho Chi Minh City People's Committee yesterday afternoon, 1 September, to offer their greetings on the 48th anniversary of Vietnam's National Day.

The well-wishers were cordially welcomed by Comrade Vo Tran Chi, member of the Central Committee Political Bureau and secretary of the city party committee; Comrade Truong Tan Sang, member of the Central Committee and chairman of the city people's committee; and Comrade Truong Van Ba, vice chairman of the city people's council.

Bountheung Louang Sichampa, acting chief of the Lao Consulate General and senior member of the diplomatic

corps, warmly congratulated the Vietnamese people, including the people of Ho Chi Minh City, on the great successes achieved during their renovation process and economic development. He wished the Vietnamese people good health, happiness, and prosperity and new, ever-greater successes in various domains so as to build a prosperous and powerful Vietnam and to contribute to the common cause of the world people—namely struggling for peace, national independence, and social progress.

On behalf of the Ho Chi Minh City party committee, People's Council, and People's Committee, Comrade Truong Tan Sang sincerely thanked the diplomatic corps and the representatives of economic agencies from various countries for having come to express their greetings on National Day. The comrade noted with joy those encouraging achievements recorded by the city in the relations of economic cooperation with other countries and affirmed that the city would develop cooperative relations with various countries for mutual benefit and collective stability and development.

Activities in Cambodia Mark SRV National Day

BK0309061393 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 2 Sep 93

[Text] On the morning of 2 September, our Ambassador Extraordinary and Plenipotentiary in Cambodia Tran Huy Chuong, his wife, and many cadres of the embassy and other representative agencies laid a floral tribute at the Memorial Monument for Cambodian-Vietnamese Friendship and Solidarity in the capital city of Phnom Penh on the occasion of the 48th Anniversary of the August Revolution and 2 September National Day.

On the evening of 2 September, our ambassador delivered a speech on Cambodian Television and Radio. On the Vietnamese-Cambodian relationship, Ambassador Tran Huy Chuong stressed: The people of Vietnam unswervingly respect and strictly abides by the Paris Agreement on Cambodia; they respect the independence, sovereignty, territorial integrity, and right to self-determination of the people of Cambodia and support the national reconciliation and cooperation policy initiated by Prince Norodom Sihanouk.

The ambassador reaffirmed that the Vietnamese Government announced its readiness to recognize the new Cambodian Government elected by the Constitution Assembly and its wish to improve and expand cooperative and friendly relations in all spheres to resolve existing problems between the two countries through negotiations, based on principles outlined by the Vietnam-Cambodia Joint Communique made in January 1992 by the Head of State Prince Norodom Sihanouk and Vietnamese Foreign Minister Nguyen Manh Cam.

Also on the evening of 2 September, the Cambodian Television showed a 30-minute documentary film introducing Vietnam's land and people. Some papers in Phnom Penh also carried articles and pictures on Vietnam. PRACHEACHON of the Cambodian People's Party carried an article introducing our foreign policy. The private paper REASMEI published two articles on foreign investment in Vietnam and our rice export potential.

Leaders Commemorate Ho Chi Minh on National Day

BK0209093593 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 1 Sep 93

[Text] On the occasion of the 48th anniversary of the August Revolution and 2 September National Day, on the morning of 1 September a delegation of the Communist Party of Vietnam [CPV] Central Committee, the Presidential Office, the National Assembly Standing Committee, the SRV Government, and the Vietnam Fatherland Front Central Committee led by Comrade Do Muoi, general secretary; Le Duc Anh, state president; Nong Duc Manh, National Assembly chairman; and Phan Van Khai, deputy prime minister, laid a floral tribute at the mausoleum of President Ho Chi Minh, the beloved leader of the Vietnamese people.

Also paying tribute were Central Committee Advisers Pham Van Dong and Vo Chi Cong, members of the CPV Central Committee Political Bureau, and of the CPV Central Committee Secretariat such as Dao Duy Tung, Doan Khue, Pham The Duyet, Nguyen Duc Binh, Hong Ha, Nguyen Dinh Tu, and Do Quang Thang.

On the same day, at the Hanoi War Dead Cemetery, the delegation also laid a floral tribute to the outstanding sons who sacrificed their lives for national independence and freedom.

Other delegations of the Offices of the CPV Central Committee, the State President, the National Assembly, the government, and of various CPV Central Committe departments also paid tribute to President Ho Chi Minh at his mausoleum.

Also on this occasion, delegations of the Ministry of National Defense, the Interior Ministry, the Hanoi party committee, mass organizations, and various precinct committees and people's committees such as Ba Dinh, Hoan Kiem, Hai Ba Trung, and Dong Da, and scores of people of all strata from various areas throughout the country paid tribute to President Ho Chi Minh at his mausoleum.

On the occasion of the anniversary of our National Day, members of the diplomatic corps and representatives of various international organizations in Hanoi also laid floral tributes to President Ho Chi Minh at his mausoleum and at the Hanoi War Dead Cemetery.

Report on Daily's Editorial on National Day

BK0209072393 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 1 Sep 93

[Text] NHAN DAN today, 2 September, carried an editorial entitled: "The State of The People, by The

People, and for The People." After stressing the significance of Vietnam's Independence Declaration on 2 September 1945 and reviewing the struggle by the Vietnamese people during the past 48 years, the editorial said:

While achieving results in the socioeconomic domain during the past several years, Vietnam has also made progress in improving its political system, and building and implementing socialist democracy. We have clearly understood the functions of and improved the relationship between our party, state, and mass organizations.

We are resolved to bring into full play all material, spiritual, and intelligent capabilities of all people, strata, and society to build a powerful Vietnam and ensure prosperity and happiness for our people. Independence, freedom, and happiness are always the earnest aspiration of our population.

While welcoming remarkable achievements in the renovation undertaking, our people are striving to promote the cause of national reconstruction and to resolutely fight against corruption, embezzlement, violations to the citizens' rights and freedom, smuggling, counterfeiting, and tax evasion, which have caused great losses to our state and people.

Commentary Views National Independence, Liberty

BK0209114993 Hanoi Voice of Vietnam in English 1000 GMT 2 Sep 93

[Station commentary]

[Text] On 2 September 1945, at the ceremony that gave birth to the Democratic Republic of Vietnam, President Ho Chi Minh read a declaration of independence, solemnly declaring to the world that Vietnam has the right to be a free and independent country. He said: The entire Vietnamese people will determine to mobilize all their physical and mental strength and sacrifice their life and property in order to safeguard their independence and liberty.

Over the past 48 years, the declaration of independence has been developing an international and enduring significance for new situations. In the spirit of the declaration of independence, the Vietnamese people have fought the war of resistance against the French Colonists, culminating in the Dien Bien Phu Victory, opening up an era for consolidating national independence. Then came the war of resistance against the American oppressors which ended in the Ho Chi Minh Campaign, completely regaining independence and unifying the country. In these wars, the Vietnamese people drew lessons and experiences for people in other countries in their fight against intervention by imperialism.

The declaration of independence, not only spelled out the determination of the Vietnamese nation which has suffered a lot to defend its fundamental rights but also expressed a value for all of mankind. The right of all nations, big or small, to be free and independent and to defend its legitimate interests, and at the same time, respect the interests of other nations.

President Ho Chi Minh said the wars undertaken by Vietnam proved an international truth that political and economic rights and liberties and equality are inalienable and the eternal properties of mankind.

Developments today see the concepts of independence, liberty, and equality bearing more economic contents. Peace, independence, sovereignty, and development are the common goal of all nations. The Vietnamese people are determined not to sidetrack from that goal. The Vietnamese state and party advocate the safeguarding of independence, sovereignty, and territorial integrity of the Socialist Republic of Vietnam while promoting friendship and cooperation with friends near and far. With this policy, the Vietnamese people are certain to take their renovation process to a successful level, contributing to mankind development in the new era.

New Bridge to Laos, Haiphong Bridge Open

BK0209142593 Hanoi VNA in English 1354 GMT 2 Sep 93

[Text] Hanoi VNA Sept. 2—A new bridge named Ha Tan on Highway 8A across the Ngan Pho River in the central Vietnam province of Ha Tinh has been opened to traffic.

The building of the Ha Tan bridge facilitates transportation on Vietnam's Highway 8A and Laos's Highway 8 through the Keo Nua Border Checkpoint in Ha Tinh. This projects is part of a Vietnam-Laos transport cooperation programme for central Vietnam.

The 165m-long and 9m-wide bridge is one of the two major ferro- concrete bridges on Highway 8A. The upgrading of this highway, including the construction of the Ha Tan Bridge, aims at broadening socio-economic exchanges with Laos and developing the western mountain districts of Ha Tinh Province.

—In the port city of Haiphong the Lac Long Bridge has been inaugurated after nearly 13 months' construction.

The 320m long and 15m wide ferro-concrete bridge has six lanes, four for motor vehicles and two for bicycles and other non- mechanical means of transport.

Aviation Group Opens Pleiku Airport Terminal

BK0209092593 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 1 Sep 93

[Text] To mark the anniversary of the August Revolution and the 2 September National Day, the Aviation Group of Central Province Airports inaugurated a terminal in Pleiku Airport. Construction of the Pleiku Airport Terminal, which was designed by the Da Nang

Polytechnics College, started in December 1992. Despite unfavorable weather conditions when the construction began at the end of the dry season, the Pleiku Construction Enterprise overcame many difficulties to ensure good progress and quality in each construction category.

The Pleiku Airport terminal deeply reflects the natural characteristics of the central highland. It has usable space of nearly 1,000 square meters. It is the largest airport terminal in the central highland.

With its facilitation of the movement of passengers, the terminal will contribute significantly to the broadening of economic and cultural exchanges between Gia Lai and Kon Tum Provinces and other areas of the country.

Australia

Spokesman on Seizure of Embassy Alcohol in Iran

BK0109074093 Melbourne Radio Australia in English 0500 GMT 1 Sep 93

[Text] The Australian Government has confirmed that 250 cases of alcohol seized by Iranian police had been destined for Canberra's embassy in Tehran. An Australian Foreign Ministry spokesman says the matter will be discussed with the nine officials in the Tehran embassy. The official said Iranian officials were well aware that the Australian and other foreign embassies in Tehran had been illegally importing alcohol and the practice had been tolerated. Alcohol is banned in Iran. The Australian figure of 250 cases of beer, wine, and spirit compared with an Iranian newspaper report that 12,000 bottles were seized, which would amount to 1,000 cases.

'Media Baron' Murdoch Expands Global TV Network

BK0209070893 Hong Kong AFP in English 0246 GMT 2 Sep 93

[By Jack Taylor]

[Text] Sydney, Sept 2 (AFP)—New links in the satellite-based global television chain announced by Rupert Murdoch on Thursday will give the Australian-born media tycoon access to the most households in the world with a TV set.

The News Corp chief already controlled a large slice of the global media cake, especially in Britain, the United States and Australia, before his recent acquisition of Hong Kong-based Star Television extended his access to another two thirds of the planet.

Last Friday, his company formalised a joint venture between its U.S.-based Fox Broadcasting and Televisa of Mexico—the world's biggest Spanish language broadcaster—to produce 500 hours of multi-lingual television.

Then on October 1, his Sky News service, already seen in 33 European countries, will be satellited to southern Africa, Murdoch said in an address delivered to selected audiences in London, New York, Los Angeles and here.

He used his technology to launch a new multi-channel system for his company's 50 percent-owned BSkyB British satellite network, speaking to a dinner late Wednesday in London and broadcast live to lunch in Los Angeles, a cocktail reception in New York and breakfast here Thursday.

His address also provided a revealing insight into the scope of his vision and ambition, concluding: "We feel that our company, with its worldwide network of talent, can make an important contribution to this exciting industry and, in the process, enrich the countries in which we and their peoples work."

He said—"with maybe a tiny touch of regret"—television was a technology which had liberated people from the powerful media barons who could once but no longer "sit down and agree to keep an entire nation ignorant of a major event."

Inter media competition had become too intense and techology was racing ahead so rapidly "the media mogul has been replaced by a bevy of harassed and sometimes confused media executives trying to guess at what the public wants."

The march of the technology had been a key factor in the spread of freedom that was the major distinguishing characteristic of recent years, he said.

"The Bosnian Serbs can't hide their atrocities from the probing eyes of BBC, CNN and Sky News cameras; starvation in Africa can no longer be ignored."

Murdoch said his organisation had for some time been developing the means with which people would access the almost infinite wealth of programming and services that digital compression would bring the consumer.

"Yesterday, we signed an agreement with some of the best brains in the business to develop, co-operatively, what will be the common digital satellite system throughout Europe, Asia and the Americas," he said.

The group consists of the British research and telecommunications organisation NTL, an American high-tech company, Comstream, and News Corp's own News Datacom.

Sky multi-channel's new system involves a package of 14 television channels ranging from general entertainment to music, children's programs, news and for the first time an interactive shopping channel.

BSkyB owns two of the 14 channels and its partners include media companies such as TCI, Cox Communications and Viacom.

"Plans are well advanced to take Sky News, or a parallel service, to all the continents of the world, where we will be seeking local partners both national and regional."

He described the recent acquisition by New Corp of a controlling interest in the Hong Kong-based digital broadcaster Star Television as "the most exciting challenge in the world, with a reach of more than two thirds of the entire planet."

His organisation planned for it a wide range of new programming, including an open university and educational channels and the creation of new channels with world wide reach, including an arts channel.